



GOVERNOR
BRIAN SCHWEITZER
STATE OF MONTANA

Governor's Executive Budget
Fiscal Years 2012 – 2013

Overview of Budget
Agency Budgets

Governor's Office of Budget
and Program Planning



Volume 1

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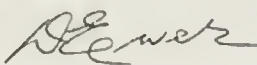
OFFICE OF THE GOVERNOR
BUDGET AND PROGRAM PLANNING
STATE OF MONTANA

BRIAN SCHWEITZER
GOVERNOR



PO BOX 200802
HELENA, MONTANA 59620-0802

TO: Amy Carlson, Legislative Fiscal Analyst
Legislative Fiscal Division

FROM: David Ewer, Budget Director 
Office of Budget and Program Planning

DATE: December 15, 2010

SUBJECT: Amendments to the Governor's 2013 Biennium Executive Budget

In accordance with 17-7-112, MCA, I am submitting the following formal written amendments to the November 15 preliminary 2013 biennium Executive Budget. All changes are reflected in the R02 version in MBARS.

Revenue Adjustments:

As a result of more recent data and a change to forecasting methodology, OBPP is updating its revenue estimates originally submitted as part of the November 15, 2010 budget submission. The net effect of these changes adds \$118.70 million to the three year forecast period. Please see Addendum 1 for further detail regarding changes to methodology and year-by-year change to the revenue estimates.

Expenditure Adjustments:

- In the Department of Natural Resources and Conservation, NP 2324 removes \$27,979 of funding from the Treasure State Endowment state special revenue fund and replaces it with a like amount of funding from the Natural Resources Operations state special revenue fund in accordance with 90-6-701(2), MCA.
- The transfer of funding from the Treasure State Endowment Program state special revenue fund to the state general fund has been revised to be \$17,614,270 for the 2013 biennium. This amount is reflected in the introduced version of HB 11.
- The transfer of funding from the Long-Range Building fund to the state general fund, included in HB 5, has been increased by \$1 million to accommodate corrected revenue estimates for the fund.

- In the Department of Public Health and Human Services, DP 55141 in the Addictive and Mental Disorders Division has been removed. This reduction was already made in the base year and therefore is not needed for FY 2012 and FY 2013.
- In the Department of Public Health and Human Services, funding for the Healthy Montana Kids program has been adjusted to increase funding from the I-155 state special revenue fund by approximately \$3.1 million and decrease funding from the general fund by a like amount for the biennium. The change is reflected in DP 11001 – Medicaid Benefits, Physical Health.
- In the Health Resources Division of the Department of Public Health and Human Services, DP 11017 – HMK-Chip Caseload was revised and therefore funding is reduced by approximately \$1.5 million state special revenue and \$4.7 million federal special revenue.
- In the Department of Public Health and Human Services, DP 11022 for the Health Resources Division has been revised to eliminate a duplication of some funding for the CPI-MMIS components that was also requested by the Technology Services Division.
- In the Department of Public Health and Human Services, a decision package for the Recovery Audit Contract program has been added in the Quality Assurance Division. The request increases funding by \$69,788 general fund, \$68,238 state special revenue and \$138,024 federal funds for the biennium to operate the program. In addition, a language appropriation of up to \$103,061 state special revenue and up to \$204,308 federal funds is requested to pay the contractor fee for the recovery actions.
- In the Department of Public Health and Human Services, \$180,000 state special revenue funding for tobacco prevention was added for distribution to the Little Shell Tribe because the funding was not spent in the base year so it was not captured in the base budget.
- In the Department of Justice, funding for the Highway Patrol Officers budget is corrected which results in an approximate \$368,000 savings for the general fund over the biennium.
- In compliance with the salary survey required in 2-18-303(5), MCA, the Department of Justice – Montana Highway Patrol requests a decision package for a pay increase for Highway Patrol officers. Funding, of \$950,000 per year for the increase comes from the state special revenue fund statutorily dedicated for this purpose.
- Funding for DP 1301 – Troopers on the Road in the Department of Justice – Montana Highway Patrol budget has been corrected among state special revenue funds with a net change of \$0.
- Funding for the Gambling Control Division budget has been corrected among state special revenue and enterprise funds with a net change of \$0.

- Decision package 920 has been added in the Commissioner of Higher Education budget to reduce funding for retirement by \$2,363,207 general fund in order to correct an error in the calculation formula. This correction to the retirement amount reduces the agency's 4% personal services reduction target within decision packages 55400, 55401 and 55402 by \$94,373 for the 2013 biennium. NP 918 – University System Funding has been increase by \$2,363,207 general fund to bring the request up to \$6,344,690 for FY 2012 and \$8,678,518 for FY 2013 to enhance student access and success, promote economic development, and more readily respond to workforce development needs.

MBARS has been updated to include these changes in the R02 version. The following documents are attached for further clarification:

- Updated Balance Sheet
- Addendum 1 – Updates to 2013 biennium revenue estimates

Proposed FY 2011 and 2013 Biennium General Fund Balance Sheet

	Projected FY 2011	Projected FY 2012	Projected FY 2013
Beginning Fund Balance	316.57	271.32	233.99
Adjustments	(5.93)		
Adjusted Fund Balance	310.64	271.32	233.99
OBPP Revenue Estimate	1732.04	1796.47	1887.55
Prior Year Revenue	0.00	0.00	0.00
Proposed Revenue Bills and Other OTO Transfers-In			
Eliminate Foreign Country Tax Shelter		2.65	2.65
Revise Business Equipment Tax		(8.54)	(13.50)
Tax Cut for Homeowners		(12.00)	(24.00)
Revise Corporate Tax Audit Advantage		2.90	2.90
Eliminate Corporate Net Operating Carryback		2.15	2.15
Nonresident High Value Real Estate Property		1.50	1.50
Eliminate Nevada Tax Dodge		2.80	2.80
Technical Fix to SB 407 (2003 Session)		2.00	2.00
DOR Tax Compliance Package		2.00	3.00
HB 5	11.69		
HB 10	10.74		
HB 11 TSEP and Regional Water Transfer		10.44	12.05
Big Sky Eco Devo Transfer		1.33	1.56
Fire Suppression Fund Transfer		20.00	0.00
PPL/Avista - School Facility Account Transfer		10.00	10.00
Health Care & Benefits Division Transfer	0.10		
Natural Resource Damage Program Transfer	1.30		
Coal Bed Methane Account Transfer		6.00	0.00
Total Funds Available	2066.50	2111.02	2124.64
Disbursements - Ongoing General			
General Appropriations Act - Base	1549.54	1511.49	1509.93
General Appropriations Act Decision Packages		145.79	170.46
Statutory Appropriations	181.24	189.99	199.55
Non-Budgeted Transfers	11.09	16.42	12.86
Feed Bill	7.63	1.92	7.48
Reversions	(90.35)	(5.65)	(5.68)
Other Appropriations	0.08	0.00	0.00
Subtotal Ongoing	1659.23	1859.96	1894.60
Disbursements - One-Time-Only			
General Appropriations Act Decision Packages	20.83	4.45	(13.62)
Non-Budgeted Transfers	38.21	0.00	0.00
HB 645	59.38	0.00	0.00
House Bill 13 - Personal Services Contingency	3.68	4.08	0.00
Carryforward	7.98	0.00	0.00
Other House or Senate Bill	3.03	0.00	0.00
Subtotal OTO	133.10	8.52	(13.62)
Total Disbursements Before Other Bills	1792.34	1868.48	1880.98
Proposed (Non HB 2) Bills - OTO			
HB 3 - Supplementals	2.85	0.00	0.00
DOR Gentax Upgrade		0.30	
Otter Creek - Water Protection		5.00	
Otter Creek - School Windmills and Energy		5.00	
Subtotal	2.85	10.30	0.00
Proposed (Non HB 2) Bills - Ongoing			
HB 13 - Pay Plan		2.50	12.50
Cap HB 124 Growth Rate		(3.73)	(6.83)
1% ORP Revision		(0.53)	(0.54)
Subtotal	0.00	(1.76)	5.13
Total Disbursements	1795.19	1877.03	1886.12
Ending Fund Balance After Adjustments	271.32	233.99	238.53

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BUDGET AND PROGRAM PLANNING
STATE OF MONTANA**

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GOVERNOR

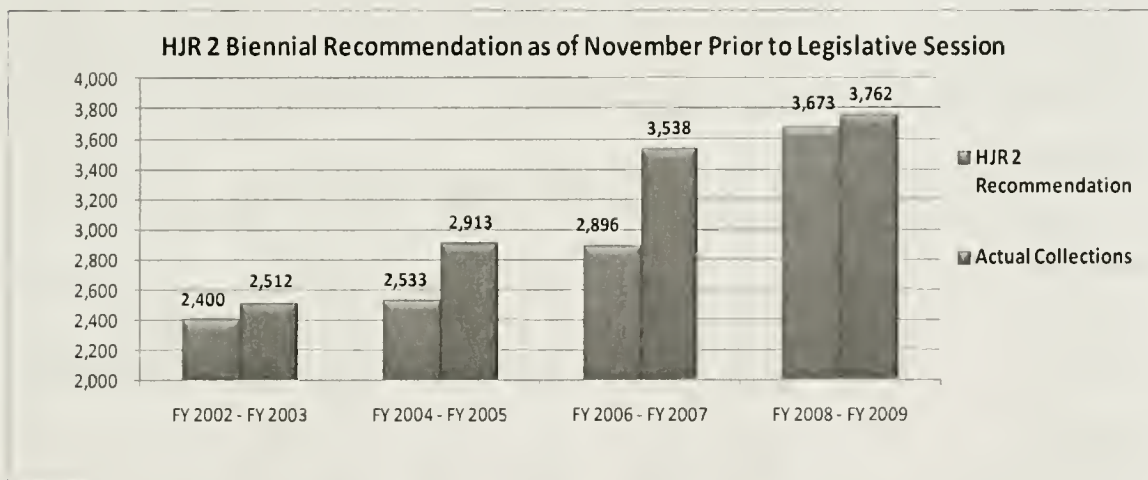


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**Addendum 1 – Updates to FY 2011
and 2013 Biennium Revenue Estimates**

Econometric Models

Over the past decade, revenue models used by OBPP and the LFD have consistently missed the mark during times of rapid accelerating (or decelerating) economic trends. This is due in large part to frequency of the measurement to which projections are anchored – namely prior fiscal year-end collections. As is shown in the following table, HJR 2 which sets out the official revenue estimate used by the Legislature and made in each respective November directly preceding a legislative session have missed actual revenue collections for the upcoming biennium by an average of 11%.



The most likely explanation for the revenue understatement is that there has been too much reliance on old data and an over-reliance on information that only indirectly, not directly, estimates state revenues, for example, proxies such as predictions of economic growth, oil prices, and the like.

While the economic outlook continues to brighten and while the econometric inputs are improving, their updates do not come timely enough. As an example, the Montana GSP estimate for the first quarter of CY 2010 and U.S. GDP estimate for the third quarter of CY 2010 were recently revised and moved up relative to the projections available in October. This means the base data for our complete revenue forecasts in November were understated.

There is, however, a key data point that is not lagging, and that is not a proxy for revenue collections and that is the actual amount of collections to date. Through November, 2010 total general fund revenue was \$459.245 million. This is \$50.541

million (12.37%) more than collections posted in SABHRS through November of FY 2010. This means that collections through November 2010 are currently running \$5.554 million above the anticipated FY 2011 HJR 2 gain over FY 2010 collections (\$44.987 million) for all of FY 2011. While there may be accounting and collections anomalies, the pattern and level of such timing adjustments (late posting of motor vehicle revenue in FY 2010, late reversal of video gaming accruals in FY 2011, etc.) effectively cancel each other out. Please see the following chart which shows year-to-date general fund revenue through November, 2010.

General Fund Revenue Monitoring Report Fiscal Year 2011 - Revenue Through November (\$ millions)								
Revenue Source	Actual FY 2010	Projected FY 2011	\$ Change	% Change	FY 2010 YTD	FY 2011 YTD	\$ Change	% Change
MAJOR TAXES								
Individual Income Tax	\$717,034	\$730,761	\$20,927	2.92%	\$247,759	\$276,090	\$29,139	11.76%
Property Tax	\$222,510	\$229,084	\$6,574	2.95%	\$11,784	\$9,662	(\$2,122)	(18.01%)
Vehicle Taxes and Fees	\$103,858	\$107,025	\$3,167	3.05%	\$6,745	\$36,414	\$29,669	439.84%
Corporation License Tax	\$87,901	\$103,320	\$15,419	17.54%	\$25,513	\$30,425	\$4,912	19.25%
Insurance Premiums Tax	\$54,892	\$54,587	(\$305)	(0.56%)	\$12,283	\$12,257	(\$26)	(0.21%)
Video Gambling Tax	\$52,396	\$55,340	\$2,944	5.62%	\$30,371	\$12,414	(\$17,957)	(59.13%)
Total Major Taxes	\$1,239,392	\$1,288,117	\$48,725	3.93%	\$334,455	\$378,069	\$43,614	13.04%
NATURAL RESOURCE TAXES								
Oil and Gas Production Taxes	\$95,491	\$101,421	\$5,930	6.21%	\$0,000	\$0,000	\$0,000	
U.S. Mineral Royalties	\$30,289	\$29,674	(\$614)	(2.03%)	\$6,020	\$7,520	\$1,500	8.67%
Coal Severance Tax	\$10,322	\$14,848	\$4,526	43.85%	\$3,138	\$3,540	\$403	12.83%
Metalliferous Mines Tax	\$6,541	\$6,481	(\$60)	(0.92%)	\$0,000	\$0,001	\$0,001	890.00%
Electrical Energy Tax	\$4,713	\$4,452	(\$261)	(5.55%)	\$0,956	\$1,279	\$323	33.76%
Wholesale Energy Transactions Tax	\$3,556	\$3,657	\$101	2.84%	\$0,822	\$1,028	\$206	25.12%
Total Natural Resource Taxes	\$150,911	\$160,533	\$9,622	6.38%	\$11,835	\$13,308	\$1,533	12.95%
INTEREST EARNINGS								
Coal Trust Interest Earnings	\$26,914	\$26,512	(\$402)	(1.49%)	\$6,757	\$6,548	(\$209)	(3.10%)
Treasury Cash Account Interest	\$2,692	\$1,666	(\$1,026)	(38.12%)	\$1,165	\$0,988	(\$178)	(15.25%)
Total Interest Earnings	\$29,606	\$28,178	(\$1,428)	(4.82%)	\$7,922	\$7,535	(\$387)	(4.88%)
LIQUOR TAXES								
Liquor Excise and License Taxes	\$15,626	\$16,104	\$478	3.06%	\$2,532	\$5,566	\$3,034	119.83%
Liquor Profits	\$9,000	\$9,511	\$511	5.68%	\$0,000	\$0,000	\$0,000	
Beer Tax	\$3,032	\$3,142	\$110	3.63%	\$1,145	\$1,117	(\$28)	(2.45%)
Wine Tax	\$1,933	\$2,098	\$165	8.55%	\$0,674	\$0,664	(\$10)	(1.42%)
Total Liquor Taxes	\$29,591	\$30,855	\$1,264	4.27%	\$4,351	\$7,347	\$2,996	68.86%
TOBACCO TAXES								
Cigarette Tax	\$32,218	\$31,029	(\$1,189)	(3.69%)	\$13,580	\$12,624	(\$957)	(7.04%)
Tobacco Products Tax	\$5,334	\$5,680	\$346	6.48%	\$1,914	\$1,950	\$36	1.87%
Tobacco Settlement	\$3,469	\$3,565	\$96	2.78%	\$0,000	\$0,000	\$0,000	
Total Tobacco Taxes	\$41,021	\$40,274	(\$747)	(1.82%)	\$15,494	\$14,573	(\$921)	(5.94%)
SALES TAXES								
Telecommunications Excise Tax	\$23,523	\$21,772	(\$1,751)	(7.45%)	\$3,021	\$5,501	\$2,480	82.10%
Institutional Reimbursements	\$22,000	\$17,555	(\$4,445)	(20.21%)	\$4,653	\$0,000	(\$4,653)	(100.00%)
Accommodations Tax	\$12,331	\$12,852	\$521	4.23%	\$5,122	\$5,849	\$727	14.19%
Health Care Facility Utilization Fees	\$5,300	\$5,039	(\$261)	(4.93%)	\$1,324	\$1,296	(\$28)	(2.08%)
Rental Car Sales Tax	\$2,807	\$2,999	\$192	6.82%	\$1,193	\$1,300	\$107	8.95%
Total Sales Taxes	\$65,962	\$60,217	(\$5,745)	(8.71%)	\$15,312	\$13,946	(\$1,366)	(8.92%)
OTHER TAXES AND REVENUES								
Lottery Profits	\$10,631	\$12,327	\$1,696	15.95%	\$0,000	\$0,000	\$0,000	
Highway Patrol Fines	\$4,646	\$4,666	\$20	0.42%	\$1,421	\$1,155	(\$266)	(18.74%)
Investment Licenses and Permits	\$0,225	\$0,008	(\$217)	(3.48%)	\$0,900	\$1,022	\$116	12.80%
Contractors' Gross Receipts Tax	\$6,969	\$6,477	(\$492)	(7.07%)	\$3,740	\$4,325	\$585	15.63%
Driver's License Fee	\$4,156	\$3,561	(\$595)	(14.32%)	\$1,461	\$1,777	\$316	21.62%
Rail Car Tax	\$2,579	\$2,031	(\$548)	(21.26%)	\$1,429	\$1,647	\$217	15.20%
Other Revenue	\$35,454	\$28,888	(\$6,566)	(18.52%)	\$10,375	\$14,479	\$4,104	39.56%
Total Other Revenue Sources	\$70,661	\$63,958	(\$6,703)	(9.49%)	\$19,333	\$24,405	\$5,072	26.23%
Total General Fund	\$1,627,145	\$1,672,132	\$44,987	2.76%	\$408,704	\$459,245	\$50,541	12.37%

Updates to Estimates

With five months of FY 2011 general fund revenue actually known, the forecast results using the current models strongly indicate that they are not high enough, and unless there is a substantial economic softening, the use of the current models will, once again, significantly understate revenues, and continue a decade-long pattern of missing actual collections, but never by overstating them. It is analogous to having a compass that always points to magnetic north and has never been recalibrated to point to true north. OBPP is now shifting to a more realistic and defensible estimating methodology that will reduce the likelihood of underestimating revenue.

OBPP's current FY 2011 total general fund revenue estimate is \$1,694 million. Today OPBB is updating its FY 2011 estimate to \$1,732 million, and has applied this base number to its revenue growth rates for 2012 and 2013 to arrive at a new total of \$118.7 million increase over the next three years.

Methodology Change

The following table details the past eleven years history of the percentage of cumulative revenue received through November of each respective year. A higher number reflects a year in which revenue was proportionately collected earlier in the year whereas a lower number reflects a year in which revenue was collected proportionately later. Extrapolating general fund revenue is done by dividing the revenue received year-date by the 11-year average (26.51%) of cumulative revenue received through November (i.e. \$459.245 million/26.51%).

Cumulative Revenue Received through November	
Fiscal Year	% Received
FY 2000	25.06%
FY 2001	24.74%
FY 2002	28.21%
FY 2003	27.33%
FY 2004	26.17%
FY 2005	26.35%
FY 2006	26.39%
FY 2007	25.69%
FY 2008	26.91%
FY 2009	29.69%
FY 2010	25.12%
11-Year Average	26.51%

As seen in the following table, the result of applying this methodology to general fund revenue estimates for FY 2011 increases OBPP's November estimate by \$37.93 million to \$1,732.04 million. This figure assumes a 6.43% increase in revenue between FY 2010 and FY 2011. For FY 2012 and FY 2013, original growth rates as estimated on November 15 were used. The net effect of applying this methodology to OBPP's general fund revenue estimates adds \$118.70 million to OBPP's three year general fund revenue estimate. This increase reflects a 2.24% increase over the November 15 estimate.

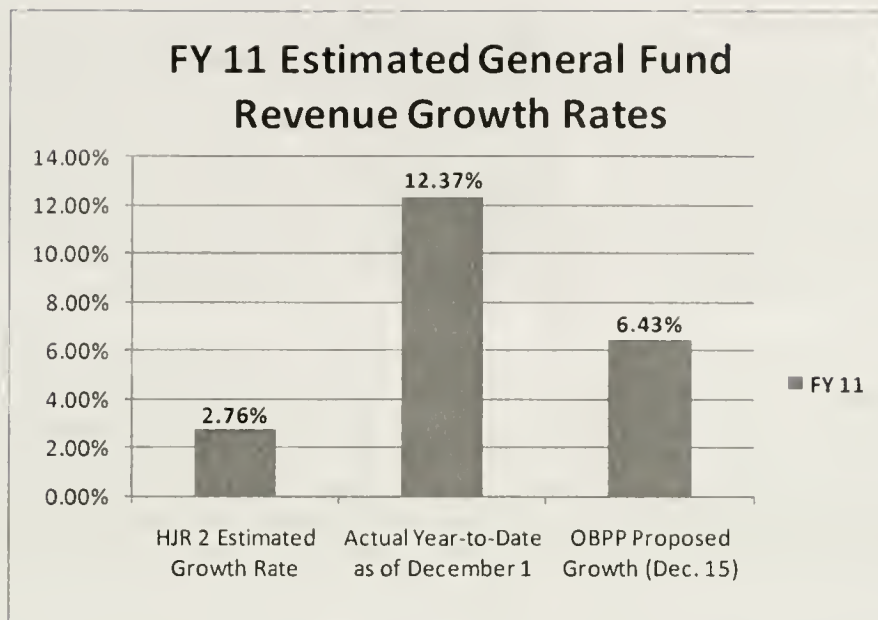
OBPP General Fund Revenue Estimates Change - As of December 15, 2010							
	General Fund Revenue				Estimated Growth Rates		
	FY 2011	FY 2012	FY 2013	Three Year Total	FY 2011	FY 2012	FY 2013
OBPP Nov. 15	1,694.11	1,757.10	1,846.14	5,297.35	4.09%	3.72%	5.07%
OBPP Dec. 15	1,732.04	1,796.47	1,887.55	5,416.05	6.43%	3.72%	5.07%
Change	37.93	39.37	41.41	118.70	2.34%	0.00%	0.00%

Reasonability of New Methodology

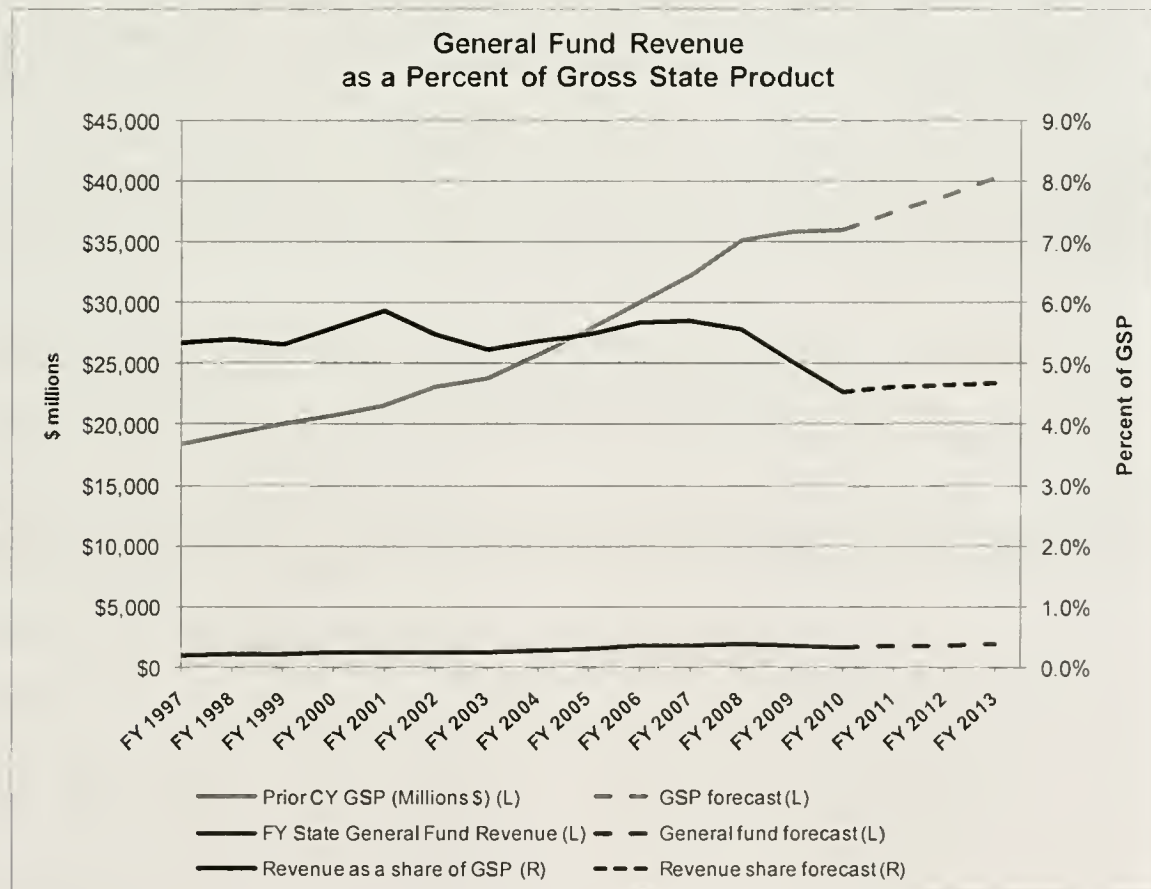
Many data points suggest that these proposed changes are reasonable. First, analysis was undertaken to determine a reasonable amount of growth in revenue in fiscal years which follow a recession. The following table shows that in FY 1995, for every dollar lost to revenue decline in FY 1994, approximately \$0.76 was recouped. Likewise, in FY 2003, for every dollar lost to revenue decline in FY 2002, approximately \$0.61 was recouped. Using OBPP's revised growth rate of 6.43% for FY 2011, it is estimated that only \$0.37 will be recouped in FY 2011 for every dollar lost in the back-to-back recession years of FY 2009 and FY 2010 – far less than the amount recovered in previous recessions.

General Fund "Bounce Back" After Recession			
<u>Fiscal Year</u>	<u>GF Revenue In Millions</u>	<u>% Change from Previous Year</u>	<u>GF Revenue Loss/Reclaim Factor</u>
1994	892	-6.42%	0.76
1995	935	4.88%	
2002	1,214	-4.35%	0.61
2003	1,246	2.65%	
2009	1,808	-7.50%	0.37
2010	1,627	-10.00%	
2011	1,732	6.43%	

Additionally, the following chart compares OBPP's revised growth rate for FY 2011 with the official growth rate adopted by the Revenue and Transportation Interim Committee on November 19, 2010 and the actual year-to-date collections growth rate (12.37%). When compared, OBPP's growth rate errs on the conservative side as it is significantly less than the actual year-to-date rate and implicitly assumes that collections will not continue at the rate currently realized through the end of November, 2010.



Furthermore, it is important to consider state general fund revenues in the context of other global variables which inevitably have impact on general fund revenue. State general fund revenue tracks the broadest measure of state economic activity - gross state product (GSP) - well. The following chart presents the relationship between calendar year GSP and the subsequent fiscal year's general fund revenue collections.



These data show the FY 1997 – FY 2010 actual general fund collections and OBPP projection of general fund revenue for FY 2011 and the 2013 biennium relative to the Bureau of Economic Affairs estimates of GSP (CY 1996 - CY 2009) and the Global Insight projection of GSP for CY 2010 through CY 2012. The results show that estimated revenue share in the forecast period experiences minimal gain with respect to total state economic activity in CY 2010, CY 2011 and CY 2012. The share for this forecast period averages approximately 4.65% of GSP while the FY 1997 – FY 2010 average share is 5.40% of GSP. This implies a conservative range of proposed revenue estimates relative to recent and projected recovery in economic activity in the state of Montana.

This new methodology when employed to last year produces estimates that may be very telling going forward. July-Nov. 2009 actual collections were \$400.703 million; the ten year total collection rate was 26.65% resulting in a total FY 2010 predicted revenue estimate of \$1,533 million. Applying the methodology for July through December 2009 (FY 2010); actual collections data amounted to \$600.813 million; 10 year cumulative average collected 36.97%. The predicted 2010 total revenue was \$1.625 million. FY 2010 resulted in an actual total revenue collection of \$1,627 million.

There are at least three points that can be made:

- 1) The model can cause significant revenue adjustments by just one month's data. This can be viewed as a new volatile component or an appropriate way to capture inflection points. The change in revenue estimates from the November to December projections rose by 6%.
- 2) The December prediction turned out to be amazingly accurate. This model may have caught the inflection point of the economy recovering out of recession.
- 3) December numbers, not yet known, may suggest that \$1,732 is still significantly under-estimated.

Finally, OBPP will be assessing its revenue outlook during the 2011 legislative session, especially in an economic environment that may well suggest even higher revenue estimates.

OFFICE OF THE GOVERNOR
STATE OF MONTANA

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To the People of Montana and
The Honorable Members of the 62nd Legislature:

Montana's economy is on the rebound. Jobs are being created. Commodities are at record production levels and at record prices, tourist visits at new highs and new technology companies are choosing to locate in Montana in record numbers. Unlike almost all other states, we have "cash in the 'bank'"-- currently over \$330 million. Our state's finances are sound.

From my first day as Governor, building a strong economy and creating good paying jobs has been my highest concern. We have been successful in that endeavor, but we must redouble our efforts as we emerge from the Great Recession. My budget for the next 2 years reflects my single purpose in keeping and creating good paying jobs in Montana. My budget will keep the excellent pro-business climate we have earned and will invest in ways that help our economy grow.

We already have cut more taxes for more businesses and citizens than any administration in Montana history. To preserve and even improve our outstanding business climate, I propose to eliminate the business equipment tax for 98.6% of all Montana businesses. The proposal will eliminate this tax for 30,500 total businesses, 13,000 from our previous efforts in 2005 and 17,500 from this plan. Homeowners also deserve a tax break. I propose to allocate \$36 million in income tax credits so that homeowners are able to reduce \$36 million from the property tax on their home.

The budget I present is balanced. Once again, I call for strong reserves to be maintained -- \$125 million (the third highest amount ever recommended) -- "grain in the bin" to protect for the future. No other administration has built up our state's finances so strongly. Our bond ratings are higher today than they have ever been.

Unlike the education cuts in more than 40 states, this budget puts more state money into K12 and into our higher education system. We must not short-change our children's future!

In summary, this budget puts people first by creating high paying jobs, educating our kids, protecting our seniors, and keeping our communities safe.

Many have taken notice of Montana's grand beauty, quality of life and business-friendly climate. Working together we will keep Montana the greatest place in the world to raise a family, to start and grow a business and to build a community.

I welcome the 62nd Legislature and look forward to a productive session.

Sincerely,

A handwritten signature in black ink, appearing to read "B. Schweitzer".

BRIAN SCHWEITZER
Governor

The Schweitzer Budget for 2012-2013

A Balanced, Pro-Job, Pro-Family Budget that Cuts Taxes and Invests in the Future while Providing Essential Core Services and a Strong Ending Fund Balance

A Brighter Jobs Future and a Balanced Budget

Montana's economy is brightening. Commodity production and prices are at record highs. Investment in the oil, coal, wind generation, and transmission and pipeline industries remains high. Our unemployment rate remains well below the national average.

The Governor's budget for 2012-2013 is balanced. It is pro-job, pro-family and pro-growth. It puts people first by funding essential core serves. It provides the necessary funding for educating our children, protecting our seniors and keeping our communities safe.

Cutting Taxes

The Schweitzer Administration has cut more taxes for Montana businesses and homeowners than any administration in history. This budget cuts taxes.

In fact this budget calls for significantly lowering Montana's business equipment tax, helping keep us among states with the best business climates in the entire nation. To preserve and even improve our outstanding business climate, we propose changing the business equipment tax to eliminate the tax for 98.6% of all Montana businesses. We previously eliminated this tax for over 13,000 small businesses. The Schweitzer Administration proposes raising the current \$20,000 threshold for paying the business equipment tax to a \$200,000 threshold in 2012, and then to \$500,000 in 2013, and then to \$1 million thereafter. Our previous efforts removed over 13,000 small businesses from the business equipment tax rolls – this will remove another 17,500 small businesses by 2014.

For homeowners, the Schweitzer Administration recommends allocating \$36 million so that homeowners are able to reduce the property tax on their home through a refundable homeowner's income tax credit.

Keeping Money in the Bank

Montana has over \$330 million in the bank. We are one of the few states that have not experienced a budget deficit. Our bond ratings are high and stable; in fact, under the Schweitzer Administration, our bond ratings were raised for the first time in over 25 years. A key reason for this was Governor Schweitzer's insistence that significant cash reserves be kept on hand -- 'grain in the bin' as he describes it. The Administration is recommending an ending fund balance of \$125 million for FY 2013, the third highest ever recommended by the executive; the two highest also having been by this administration.

Governor's Business & Economic Development and Quality of Life Efforts are Nationally Noted

The Governor has tirelessly promoted Montana's many economic strengths especially in traditional and renewable energy development. These efforts have received national attention and excellent national rankings (see <http://www.innovatemontana.com/montana-by-numbers/> for details):

- Entrepreneurship and overall business start-up activity.....1st place
- Economic performance in economic competitiveness index2nd best
- Sales taxes for business 3rd best
- Most educated workforce 4th best
- Overall tax climate for business 6th best
- Cost of Labor (includes productivity) 6th best
- Overall business climate 8th best
- Combined state and local tax burden 8th lowest
- Quality of life 8th best
- State economic growth over last 3 years.....8th fastest
- Property tax index10th best
- Runner-up for Economic Development State of the Year for 2009.
- Corporate Investment and Community Impact Award for both 2009 and 2010.

Montana energy development helps drive the Montana economy:

- #1 in state growth rate for wind power
- 2nd fastest state growth rate in oil production
- 2nd fastest state growth rate in coal production
- More new electrical generation capacity than previous 20 years combined

Montana has had record job growth – at record high wages – prior to the recession

- 60,000 private sector jobs created between 1/1/2005 and 10/28/2008
- 5000 private sector jobs created in the first 7-8 months of 2010

- We have held state government executive branch job growth to less than ¼ of 1% /yr over the last 10 years.

Maintaining Our Good Business Climate and Successful Job Creation Partnerships

Creating jobs is a private-public partnership. Most jobs are created by private sector economic investment. But state policies and state, regional & local economic development programs are important in establishing a climate for growth and actually providing catalytic assistance so private businesses can maintain and create jobs. To keep this strong partnership, this budget continues to fund:

- New Worker Training,
- Small Business Development Centers and Small Business Innovation Research,
- Growth Through Agriculture,
- Foreign Trade Assistance,
- Montana Manufacturing support,
- Energy Development support, and
- Other key economic development efforts.

Paying for Our Strong Pro-Job Efforts

We have to be smarter, work smarter and tax smarter to stay competitive as individuals, businesses and as a state. Our state government, like our families and businesses, has to live within its means. We must carefully spend the money we collect and not collect more than we need. But those who do not pay the taxes they owe push a tax burden on to all those individuals and businesses who do pay their taxes. This budget calls for taking measures to ensure that out-of-staters who have to this point avoided paying millions in Montana taxes pay their fair share – what they owe. The Schweitzer Administration advocates seven pieces of legislation that would conservatively collect over \$27 million just in the next two years to help sustain the funding that keeps our business climate positive and our state competitive.

Education – Path to Good Jobs, Growing Economy & Competitive State

We must continue to invest in education because an educated people – an educated workforce -- is the best path to good jobs, a strong economy and a competitive state. This budget puts more state money into K-12 and into our higher education system. We must not short-change our children's future!

We propose putting \$50 million more into K-12 education.

We propose putting \$39 million more into higher education.

Putting People First

This budget puts people first by funding essential core services: educating our kids, protecting our seniors, and keeping our communities safe. In addition to the education funding discussed above, two state agencies, the Department of Corrections and Department of Public Health & Human Services (DPHHS) provide the core services of public safety and protecting our seniors and others. The Schweitzer budget proposes that both of these agencies receive more total funding dollars than was in their 2010 base budgets.

State Employee Pay Plan

All state employees employed as of the last day of the preceding calendar year would receive base pay raises of:

- 1 percent effective the first full-pay period in January 2012, and
- 3 percent effective the first full-pay period in January 2013.

There is no increase in the state's contribution for employee health insurance in this agreement.

Proposed FY 2011 and 2013 Biennium General Fund Balance Sheet			
	Projected FY 2011	Projected FY 2012	Projected FY 2013
Beginning Fund Balance	316.57	240.37	163.67
Adjustments	(5.93)		
Adjusted Fund Balance	310.64	240.37	163.67
OBPP Revenue Estimate	1694.11	1757.10	1846.14
Prior Year Revenue	0.00	0.00	0.00
Proposed Revenue Bills and Other OTO Transfers-In			
Eliminate Foreign Country Tax Shelter		2.65	2.65
Revise Business Equipment Tax		(8.54)	(13.50)
Tax Cut for Homeowners		(12.00)	(24.00)
Revise Corporate Tax Audit Advantage		2.90	2.90
Eliminate Corporate Net Operating Carryback		2.15	2.15
Nonresident High Value Real Estate Property		1.50	1.50
Eliminate Nevada Tax Dodge		2.80	2.80
Technical Fix to SB 407 (2003 Session)		2.00	2.00
DOR Tax Compliance Package		2.00	3.00
Transfers-In to General Fund	22.72	48.19	24.03
Total Funds Available	2027.47	2041.12	2013.34
Disbursements - Ongoing General			
General Appropriations Act - Base	1608.15	1511.67	1510.12
General Appropriations Act Decision Packages		146.83	171.41
Statutory Appropriations	181.24	189.99	199.55
Non-Budgeted Transfers	10.97	16.30	12.74
Feed Bill	7.63	1.92	7.48
Reversions	(153.41)	(5.65)	(5.67)
Other Appropriations	0.08	0.00	0.00
Subtotal Ongoing	1654.67	1861.06	1895.62
Disbursements - One-Time-Only			
General Appropriations Act Decision Packages	17.30	4.39	(13.62)
Non-Budgeted Transfers	38.21	0.00	0.00
HB 645	59.38	0.00	0.00
House Bill 13 - Personal Services Contingency	3.68	4.08	0.00
Carryforward	7.98	0.00	0.00
Other House or Senate Bill	3.03	0.00	0.00
Subtotal OTO	129.58	8.46	(13.62)
Total Disbursements Before Other Bills	1784.25	1869.52	1882.01
Proposed (Non HB 2) Bills - OTO			
HB 3 - Supplementals	2.85	0.00	0.00
Other	0.00	10.30	0.00
Subtotal	2.85	10.30	0.00
Proposed (Non HB 2) Bills - Ongoing			
HB 13 - Pay Plan		1.89	9.52
Other		(4.26)	(7.37)
Subtotal	0.00	(2.37)	2.15
Total Disbursements	1787.10	1877.45	1884.16
Ending Fund Balance After Adjustments	240.37	163.67	129.18

HB 2 General Fund					
Agency No.	Agency Name	2011 Biennium	2013 Biennium	% Change 11B to 13B	2013 Biennium Less than 2011 Biennium
		HB 2 General Fund (Per HB 2)	Proposed HB 2 General Fund		
1104	Legislative Branch	23,402,895	23,904,275	2.14%	NO
2110	Judiciary	69,480,181	73,972,970	6.47%	NO
3101	Governor's Office	12,325,455	12,049,768	-2.24%	YES
3202	Commissioner of Political Practices	960,320	1,138,471	18.55%	NO
3501	Office of Public Instruction	1,324,597,380	1,305,064,733	-1.47%	YES
4107	Crime Control Division	4,813,596	4,841,384	0.58%	NO
4110	Department of Justice	52,393,808	54,783,053	4.56%	NO
5101	Board of Public Education	444,888	461,402	3.71%	NO
5102	Commissioner of Higher Education	354,395,060	389,797,639	9.99%	NO
5113	School for the Deaf and Blind	11,735,408	11,968,052	1.98%	NO
5114	Montana Arts Council	923,817	900,100	-2.57%	YES
5115	Library Commission	5,518,071	5,427,370	-1.64%	YES
5117	Historical Society	5,398,259	5,713,092	5.83%	NO
5301	Department of Environmental Quality	11,382,231	10,935,218	-3.93%	YES
5401	Department of Transportation	2,600,000	-	-100.00%	YES
5603	Department of Livestock	3,128,563	2,963,814	-5.27%	YES
5706	Dept. of Natural Resources/Conservation	44,767,913	46,289,188	3.40%	NO
5801	Department of Revenue	101,211,843	99,179,664	-2.01%	YES
6101	Department of Administration	12,468,343	12,624,664	1.25%	NO
6108	Public Defender	39,640,612	43,368,678	9.40%	NO
6201	Department of Agriculture	2,729,211	2,624,409	-3.84%	YES
6401	Department of Corrections	337,939,310	355,668,495	5.25%	NO
6501	Department of Commerce	13,933,959	10,024,118	-28.06%	YES
6602	Labor and Industry	5,165,095	4,845,093	-6.20%	YES
6701	Department of Military Affairs	11,424,336	11,236,213	-1.65%	YES
6901	Public Health and Human Services	800,748,865	841,009,152	5.03%	NO
Total		3,253,529,419	3,330,791,015	2.37%	NO

General Fund			
	2011 Biennium	2013 Biennium	% Change
	As Appropriated	As Proposed	
HB 2	3,253,529,419	3,330,791,015	2.37%

General Fund			
	2011 Biennium	2013 Biennium	% Change
	As Appropriated	As Proposed	
All Authority	3,688,998,000	3,761,610,000	1.97%



OFFICE OF THE GOVERNOR
STATE OF MONTANA

BRIAN SCHWEITZER
GOVERNOR



PO Box 200801
HELENA, MONTANA 59620-0801

November 15, 2010

Honorable President and Members of the Senate
Honorable Speaker and Members of the House

Honored Members of the Sixty-Second Legislative Assembly:

In accordance with Article VI, Section 9, of the Constitution of Montana, and Title 17, Chapter 7, part 1, Montana Code Annotated, I am transmitting to you my 2013 Biennium Executive Budget recommendations.

I want to take this opportunity to acknowledge all the hard work, long hours, and great effort that so many employees put forth in preparing the biennial budget, at both the agency level and the Office of Budgeting and Program Planning. If you would like additional information about the budget or if you have questions, please contact the OBPP.

I wish the members of the Sixty-Second Legislative Assembly well as you commence your work.

Sincerely,

A handwritten signature in blue ink, appearing to read "B. Schweitzer", with a stylized flourish at the end.

Brian Schweitzer
Governor

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PROPRIETARY FUND BUDGETS [Section P] can be found on the Internet at:

[http://budget.mt.gov/budget/2013 Budget/Section P](http://budget.mt.gov/budget/2013_Budget/Section_P)

General Fund Balance Sheet

The following table contains the anticipated general fund revenues, expenditures, and balance through the 2013 biennium:

Proposed FY 2011 and 2013 Biennium General Fund Balance Sheet			
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GOVERNOR
BRIAN SCHWEITZER

STATE OF MONTANA

SECTION A: GENERAL GOVERNMENT

Legislative Branch
Consumer Counsel
Governor's Office
Secretary of State's Office
Commissioner of Political Practices
State Auditor's Office

Department of Revenue
Department of Administration
Department of Commerce
Department of Labor & Industry
Department of Military Affairs

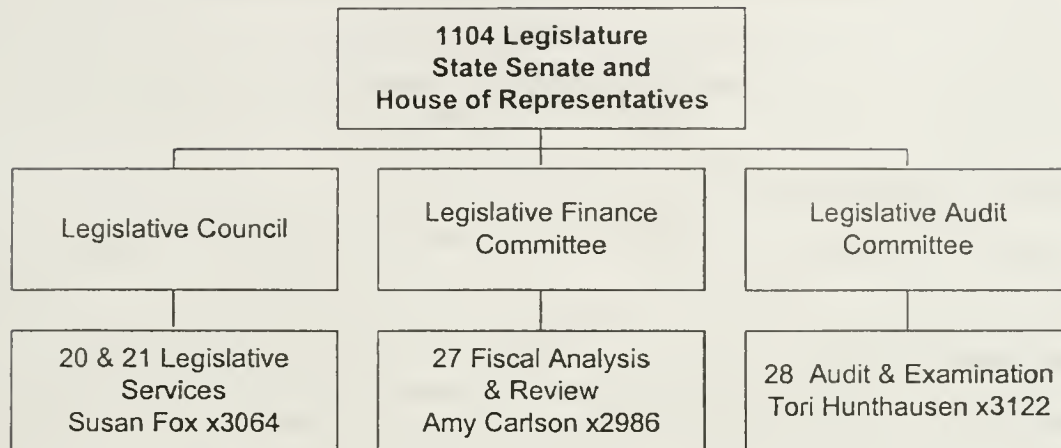
OBPP Staff:

Mark Bruno	x4895
Christine Hultin-Brus	x3169
Amy Sassano	x0619



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

LEGISLATIVE BRANCH-1104



Mission Statement - The mission of the Legislature is to exercise the legislative power of state government vested in the Legislature by The Constitution of the State of Montana. The mission of the Legislative Branch, i.e., the consolidated legislative agency, is to provide the administrative structure to support accomplishment of the mission of the Legislature.

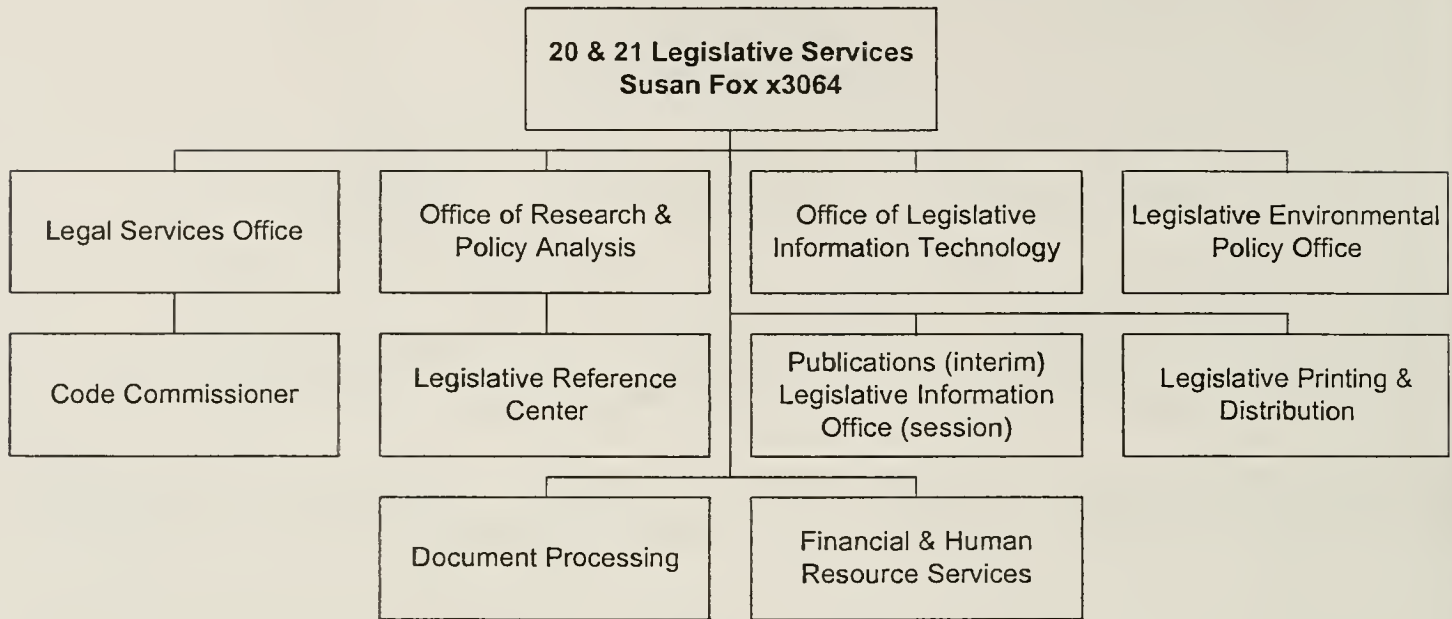
Statutory Authority - Principal statutory authority for the Legislative Services Division is found in Title 1, Chapter 11, and Title 5, Chapters 5 and 11, MCA. Principal statutory authority for the Legislative Fiscal Division is found in The Legislative Finance Act, Title 5, Chapter 12, MCA. The post-audit function of the Legislative Audit Committee is constitutionally required in Article V, section 10, of the Montana Constitution, and supported by the Legislative Audit Division with principal statutory authority in The Legislative Audit Act, Title 5, Chapter 13, MCA.

In accordance with 17-7-122, MCA, the budget for the Legislative Branch is presented as submitted to the Governor with no changes.

Agency Proposed Budget							
Budget Item	Base Budget Fiscal 2010	PL Base Adjustment Fiscal 2012	New Proposals Fiscal 2012	Total Exec. Budget Fiscal 2012	PL Base Adjustment Fiscal 2013	New Proposals Fiscal 2013	Total Exec. Budget Fiscal 2013
FTE	134.97	0.00	0.00	134.97	0.00	0.00	140.14
Personal Services	9,975,053	898,237	0	10,873,290	883,253	0	10,858,306
Operating Expenses	2,926,260	237,490	319,722	3,483,472	224,237	79,722	3,230,219
Equipment & Intangible Assets	133,233	(58,233)	0	75,000	(58,233)	0	75,000
Benefits & Claims	250	(250)	0	0	(250)	0	0
Total Costs	\$13,034,796	\$1,077,244	\$319,722	\$14,431,762	\$1,049,007	\$79,722	\$14,163,525
General Fund	10,671,264	772,568	319,722	11,763,554	1,389,735	79,722	12,140,721
State/Other Special	2,363,532	304,676	0	2,668,208	(340,728)	0	2,022,804
Total Funds	\$13,034,796	\$1,077,244	\$319,722	\$14,431,762	\$1,049,007	\$79,722	\$14,163,525

LEGISLATIVE BRANCH-1104

LEGISLATIVE SERVICES DIVISION-20



Program Description - The Legislative Services Division provides objective research, reference, legal, technical, information technology, and business services to the House, Senate, and other divisions of the Legislative Branch. Division services include: 1) bill and amendment drafting, preparation of bills for introduction, and engrossing and enrolling bills; 2) publication of legislative documents of record; 3) provision of legislative research and reference services; 4) legal counseling on legislative matters and agency legal support; 5) personnel and business services; 6) planning, installation, and maintenance of agency information technology; 7) legislative committee staffing and support; 8) preparation, publication, and distribution of the Montana Code Annotated text and annotations; 9) review of the text of proposed ballot measures; 10) broadcasting of state government and public policy events; and 11) provision of legislative information to the public. The Legislative Council provides policy guidance to the Legislative Services Division.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2010	PL Base Adjustment Fiscal 2012	New Proposals Fiscal 2012	Total Exec. Budget Fiscal 2012	PL Base Adjustment Fiscal 2013	New Proposals Fiscal 2013	Total Exec. Budget Fiscal 2013
FTE	59.00	0.00	0.00	59.00	0.00	0.00	64.17
Personal Services	4,606,243	374,371	0	4,980,614	440,529	0	5,046,772
Operating Expenses	2,342,462	59,184	240,000	2,641,646	213,355	0	2,555,817
Equipment & Intangible Assets	133,233	(58,233)	0	75,000	(58,233)	0	75,000
Total Costs	\$7,081,938	\$375,322	\$240,000	\$7,697,260	\$595,651	\$0	\$7,677,589
General Fund	6,197,641	352,305	240,000	6,789,946	1,149,491	0	7,347,132
State/Other Special	884,297	23,017	0	907,314	(553,840)	0	330,457
Total Funds	\$7,081,938	\$375,322	\$240,000	\$7,697,260	\$595,651	\$0	\$7,677,589

**LEGISLATIVE BRANCH-1104
LEGISLATIVE SERVICES DIVISION-20**

-----**Present Law Adjustments**-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$17,080	\$8,450
FY 2013	\$28,771	\$320,675

PL- 201 - LSD Cyclical Program Operations -

All increases and decreases contained in this proposal reflect the cyclical nature of the legislative business cycle. An \$8,000 general fund increase each year supports the work of the Districting & Apportionment Commission following the national census. A \$9,000 special revenue fund increase in Montana Code Annotated costs in the first year is more than offset by a second year reduction of \$292,348 related to the production and publication of the MCA. Other second year changes, totaling \$321,000, fund costs of the 2013 legislative session which are not included in the base year or which increase during a session year. Such costs include streaming legislative proceedings over the internet, production costs of TVMT, temporary staff support of House and Senate secretaries, and contracted services for support of the LAWS system, session network buildup, and computer-related assistance to legislators.

-----**New Proposals**-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$240,000	\$240,000
FY 2013	\$0	\$0

NP- 206 - Retro-Commissioning the Capitol Building -

During the 2011 biennium, the LSD contracted for an analysis and the development of a Capitol Building Master Plan as it relates to the Legislature's needs and the needs of the public within legislative space. The work provides a long-term guideline to use in conjunction with the Capitol Campus Master Plan and considers the historic character of the building while looking at public accessibility, public participation in the legislative process, efficiency in the delivery of services, and provision of a safe and healthy work environment. Funding for the Capitol Building Master Plan will be considered in the arena of long-term building requests in a future session.

This proposal provides one-time biennial funding for shorter-term options related to a healthy work environment and includes retro-commissioning the mechanical system and controls within the Capitol building and the central plant, upgrading lighting, and opening window wells closed over during Capitol renovation.

LEGISLATIVE BRANCH-1104

LEGISLATIVE COMMITTEES & ACTIVITIES-21

Program Description - The Legislative Committees and Activities Program supports the activities of standing and interim legislative committees that are conducted during the interim between legislative sessions. Program expenditures support: 1) interim study activities as defined in 5-5-202 through 5-5-217, MCA; 2) cooperative interstate, international and intergovernmental activities as outlined in 5-11-303 through 5-11-305, MCA; and 3) other legislative activities for which appropriations are made.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2010	PL Base Adjustment Fiscal 2012	New Proposals Fiscal 2012	Total Exec. Budget Fiscal 2012	PL Base Adjustment Fiscal 2013	New Proposals Fiscal 2013	Total Exec. Budget Fiscal 2013
FTE	0.97	0.00	0.00	0.97	0.00	0.00	0.97
Personal Services	99,245	26,477	0	125,722	(50,870)	0	48,375
Operating Expenses	352,826	161,210	79,722	593,758	(53,187)	79,722	379,361
Total Costs	\$452,071	\$187,687	\$79,722	\$719,480	(\$104,057)	\$79,722	\$427,736
General Fund	452,071	187,687	79,722	719,480	(104,057)	79,722	427,736
Total Funds	\$452,071	\$187,687	\$79,722	\$719,480	(\$104,057)	\$79,722	\$427,736

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$149,585	\$149,585
FY 2013	(\$35,104)	(\$35,104)

PL- 211 - Interim Committees Cyclical Program Operations -

Adjustments from base, including the \$25,742 reduction to personal services in statewide present law, total \$88,739. An operational increase of \$49,134 relates to decennial work of the Districting & Apportionment Commission, a \$25,354 reduction "pools" organizational dues, a \$8,785 increase relates to personal car mileage, and a \$50,000 increase relates to re-establishment of the Legislative Council's discretionary fund for emerging issues which was not expended in the base year. The emerging issues fund is the same amount approved in the last two biennia and is not an increase when comparing biennium to biennium.

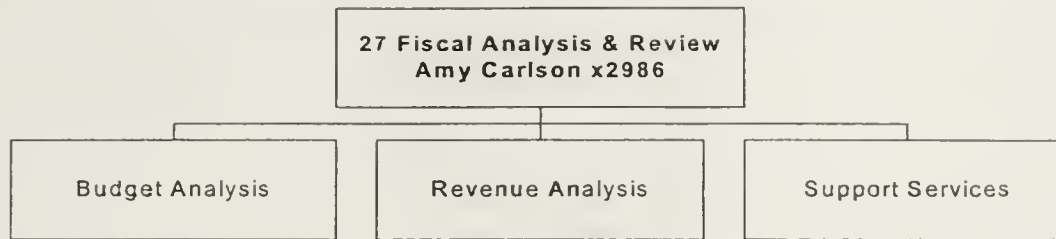
-----New Proposals-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$79,722	\$79,722
FY 2013	\$79,722	\$79,722

NP- 212 - Interstate Organization Dues -

This proposal provides funding for interstate organizational dues in an amount equal to 30% of the total dues for the 2013 biennium for four interstate organizations including the National Conference of Commissioners on Uniform State Law (NCCUSL), the Pacific Northwest Economic Region (PNWER), the National Conference of State Legislatures (NCSL) and the Council of State Governments (CSG). The program's present law budget contains funding sufficient to pay 50% of the dues—this proposal would increase the total funding to 80% of the anticipated cost.

LEGISLATIVE BRANCH-1104 FISCAL ANALYSIS & REVIEW-27



Program Description - The Legislative Fiscal Division provides the legislature with objective fiscal information and analysis relevant to Montana public policy and budget determination. Division services include: 1) fiscal analysis of state government and the furnishing of information bearing upon the financial matters of the state; 2) identification of ways to effect economy and efficiency in state government; 3) estimation of revenue and analysis of tax policy; 4) analysis of the executive budget; 5) compiling and analyzing fiscal information for legislators and legislative committees; and 6) staffing and support for legislative committees, including the preparation and processing of the appropriation bills for the legislative, judicial, and executive agencies. The Legislative Finance Committee provides guidance to the Legislative Fiscal Division.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2010	PL Base Adjustment Fiscal 2012	New Proposals Fiscal 2012	Total Exec. Budget Fiscal 2012	PL Base Adjustment Fiscal 2013	New Proposals Fiscal 2013	Total Exec. Budget Fiscal 2013
FTE	20.50	0.00	0.00	20.50	0.00	0.00	20.50
Personal Services	1,771,252	8,688	0	1,779,940	5,707	0	1,776,959
Operating Expenses	54,931	428	0	55,359	41,474	0	96,405
Total Costs	\$1,826,183	\$9,116	\$0	\$1,835,299	\$47,181	\$0	\$1,873,364
General Fund	1,826,183	9,116	0	1,835,299	47,181	0	1,873,364
Total Funds	\$1,826,183	\$9,116	\$0	\$1,835,299	\$47,181	\$0	\$1,873,364

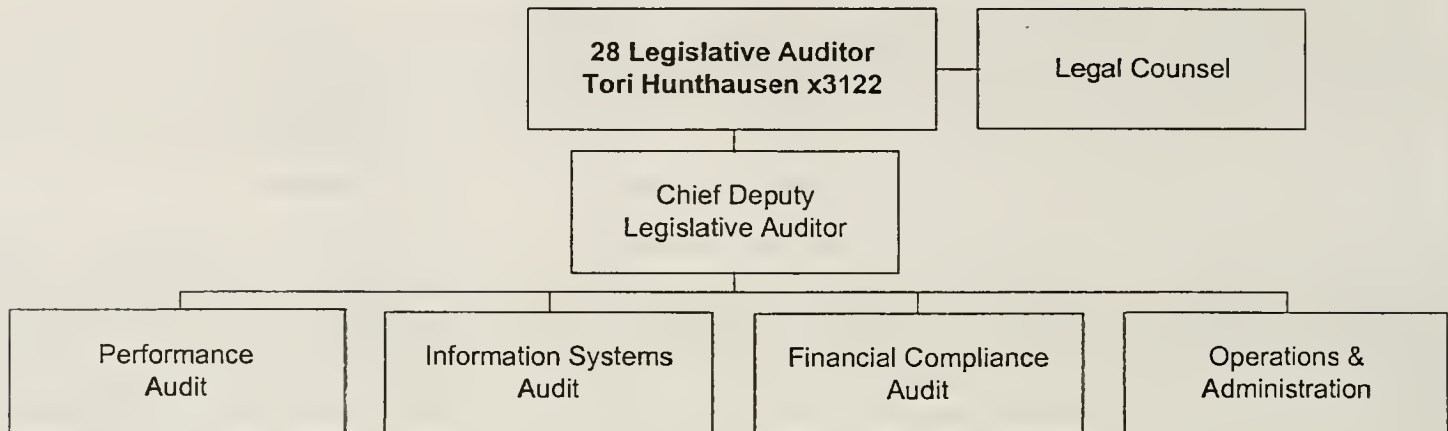
-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$0	\$0
FY 2013	\$45,000	\$45,000

PL- 271 - LFD Cyclical Program Operations -

This proposal increases the fiscal year 2013 budget by \$45,000 general fund in the categories of overtime, temporary services, printing, photocopy, and office supplies due to cyclical legislative session costs which are not captured in the base year. This is the same amount approved in the previous two biennia, and is not an increase when comparing biennium to biennium.

LEGISLATIVE BRANCH-1104 AUDIT & EXAMINATION-28



Program Description - The Legislative Audit Division conducts independent audits and provides factual and objective information to the legislative and executive managers of the public trust. Division services include: 1) conducting and reporting of biennial financial-compliance audits, performance audits, information systems audits, and special audits of state agency operations; 2) reporting of violation of penal statutes, instances of misfeasance, malfeasance, or nonfeasance, and shortages discovered in an audit that are covered by surety; 3) auditing records of entities under contract with the state; and 4) assisting the legislature, its committees, and its members by providing information related to the fiscal affairs of state government. The Legislative Auditor consults with the Legislative Audit Committee.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2010	PL Base Adjustment Fiscal 2012	New Proposals Fiscal 2012	Total Exec. Budget Fiscal 2012	PL Base Adjustment Fiscal 2013	New Proposals Fiscal 2013	Total Exec. Budget Fiscal 2013
FTE	54.50	0.00	0.00	54.50	0.00	0.00	54.50
Personal Services	3,498,313	488,701	0	3,987,014	487,887	0	3,986,200
Operating Expenses	176,041	16,668	0	192,709	22,595	0	198,636
Benefits & Claims	250	(250)	0	0	(250)	0	0
Total Costs	\$3,674,604	\$505,119	\$0	\$4,179,723	\$510,232	\$0	\$4,184,836
General Fund	2,195,369	223,460	0	2,418,829	297,120	0	2,492,489
State/Other Special	1,479,235	281,659	0	1,760,894	213,112	0	1,692,347
Total Funds	\$3,674,604	\$505,119	\$0	\$4,179,723	\$510,232	\$0	\$4,184,836

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$16,300	\$9,250
FY 2013	\$12,800	\$5,750

PL- 281 - LAD Cyclical Program Operations -

Changes from the adjusted base include cyclical costs associated with a Peer Review required by Governmental Auditing Standards, the biennial Legislative Branch audit, and contract services for the potential use of actuarial expertise during the division's audits of the retirement systems and the Montana State Fund.

CONSUMER COUNSEL-1112 ADMINISTRATION PROGRAM-01

1112 Legislative Consumer
Committee

01 Consumer Counsel
Robert Nelson x2771

Mission Statement - To represent the utility and transportation consuming public of the State of Montana in hearings before the Public Service Commission or any other successor agency, and before state and federal courts and administrative agencies.

Statutory Authority - Article XIII, Section 2, 1972 Montana Constitution
Title 5, Chapter 15 MCA and
Title 69, Chapters 1 and 2 MCA

Program Description - The Office of the Consumer Counsel is charged with the duty of representing consumer interests in hearings before the Public Service Commission or any other successor agency. The agency also may initiate, intervene in, or participate in appropriate proceedings in the court systems or administrative agencies on behalf of the public of Montana.

In accordance with 17-7-122, MCA, the budget for the Legislative Branch is presented as submitted to the Governor with no changes.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2010	PL Base Adjustment Fiscal 2012	New Proposals Fiscal 2012	Total Exec. Budget Fiscal 2012	PL Base Adjustment Fiscal 2013	New Proposals Fiscal 2013	Total Exec. Budget Fiscal 2013
FTE	5.54	0.00	0.00	5.54	0.00	0.00	5.54
Personal Services	453,709	119,222	0	572,931	120,909	0	574,618
Operating Expenses	485,539	578,749	0	1,064,288	580,716	0	1,066,255
Total Costs	\$939,248	\$697,971	\$0	\$1,637,219	\$701,625	\$0	\$1,640,873
State/Other Special	939,248	697,971	0	1,637,219	701,625	0	1,640,873
Total Funds	\$939,248	\$697,971	\$0	\$1,637,219	\$701,625	\$0	\$1,640,873

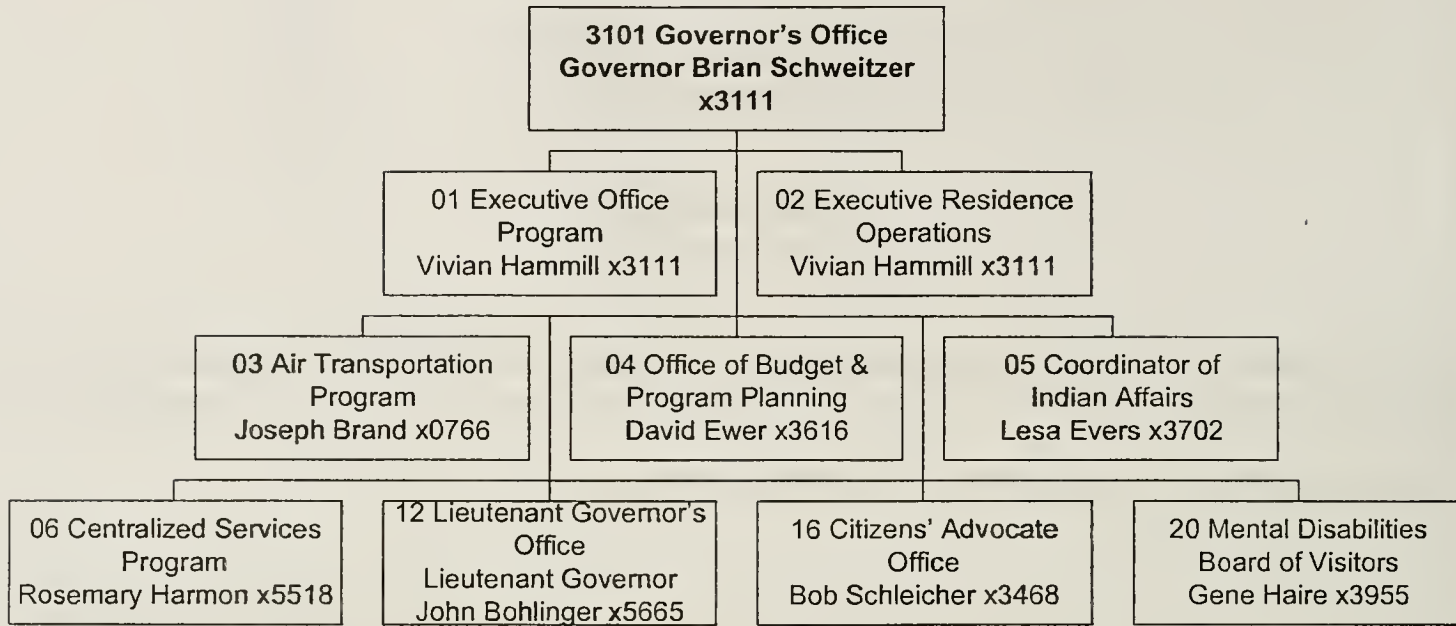
-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$557,546	\$0
FY 2013	\$559,032	\$0

PL- 1 - Present Law Base Adjustments -

The Consumer Council's budget includes \$250,000 contingency each year of the 2013 biennium for cost associated with unanticipated caseload, consistent with appropriations in prior biennia. The remaining adjustments are attributed to contract amounts and unanticipated workload.

GOVERNOR'S OFFICE-3101



Mission Statement - To oversee and direct the activities of the Executive Branch of Montana state government, consistent with statutory and constitutional mandates, in a manner that provides necessary and affordable services to the citizens of Montana.

Statutory Authority - Primary authority is Article VI, Montana Constitution

Agency Proposed Budget							
Budget Item	Base Budget Fiscal 2010	PL Base Adjustment Fiscal 2012	New Proposals Fiscal 2012	Total Exec. Budget Fiscal 2012	PL Base Adjustment Fiscal 2013	New Proposals Fiscal 2013	Total Exec. Budget Fiscal 2013
FTE	60.07	0.00	0.00	60.07	0.00	0.00	60.07
Personal Services	4,465,074	37,497	0	4,502,571	35,165	0	4,500,239
Operating Expenses	1,507,560	51,427	8,865	1,567,852	(10,174)	6,603	1,503,989
Total Costs	\$5,972,634	\$88,924	\$8,865	\$6,070,423	\$24,991	\$6,603	\$6,004,228
General Fund	5,946,921	102,163	8,865	6,057,949	38,295	6,603	5,991,819
State/Other Special	25,713	(13,239)	0	12,474	(13,304)	0	12,409
Total Funds	\$5,972,634	\$88,924	\$8,865	\$6,070,423	\$24,991	\$6,603	\$6,004,228

**GOVERNOR'S OFFICE-3101
EXECUTIVE OFFICE PROGRAM-01**

**01 Executive Office Program
Vivian Hammill x3111**

Office of Economic
Development
Evan Barrett x5634

Program Description - The Executive Office Program aids the Governor in overseeing and coordinating the activities of the Executive Branch of Montana state government. The program provides administrative, legal, and press support for the Office of the Governor. The Executive Office Program also administers programs with special impact on the citizens and governmental concerns of Montana. Special programs include the Office of Economic Development, which was created to strengthen the foundations of the state's business environment and diversify and expand existing economic endeavors to achieve long-term economic stability.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2010	PL Base Adjustment Fiscal 2012	New Proposals Fiscal 2012	Total Exec. Budget Fiscal 2012	PL Base Adjustment Fiscal 2013	New Proposals Fiscal 2013	Total Exec. Budget Fiscal 2013
FTE	21.63	0.00	0.00	21.63	0.00	0.00	21.63
Personal Services	1,787,970	(107,482)	0	1,680,488	(111,802)	0	1,676,168
Operating Expenses	828,389	16,395	0	844,784	17,121	0	845,510
Total Costs	\$2,616,359	(\$91,087)	\$0	\$2,525,272	(\$94,681)	\$0	\$2,521,678
General Fund	2,616,359	(91,087)	0	2,525,272	(94,681)	0	2,521,678
Total Funds	\$2,616,359	(\$91,087)	\$0	\$2,525,272	(\$94,681)	\$0	\$2,521,678

GOVERNOR'S OFFICE-3101 EXECUTIVE RESIDENCE OPERATIONS-02

**02 Executive Residence
Operations
Vivian Hammill x3111**

Program Description - The Governor's Residence Operations Program provides for the day-to-day operations of the official state Executive Residence.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2010	PL Base Adjustment Fiscal 2012	New Proposals Fiscal 2012	Total Exec. Budget Fiscal 2012	PL Base Adjustment Fiscal 2013	New Proposals Fiscal 2013	Total Exec. Budget Fiscal 2013
FTE	1.50	0.00	0.00	1.50	0.00	0.00	1.50
Personal Services	69,750	(5,689)	0	64,061	(5,807)	0	63,943
Operating Expenses	50,564	895	0	51,459	1,639	0	52,203
Total Costs	\$120,314	(\$4,794)	\$0	\$115,520	(\$4,168)	\$0	\$116,146
General Fund	120,314	(4,794)	0	115,520	(4,168)	0	116,146
Total Funds	\$120,314	(\$4,794)	\$0	\$115,520	(\$4,168)	\$0	\$116,146

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$6,492	\$6,492
FY 2013	\$6,492	\$6,492

PL- 201 - Adjust Budget for Actual Pay Rate -

The Governor's Office requests additional personal services funding. The program has hired a 0.50 FTE Custodian at a higher hourly rate than was captured in the personal services snapshot used for budgeting purposes. The Residence Operations program is therefore underfunded by \$6,492 each year. It is requested that the programs be provided this additional funding, sufficient to cover the actual personal service costs which this very small program is committed to pay.

GOVERNOR'S OFFICE-3101 AIR TRANSPORTATION PROGRAM-03

03 Air Transportation Program
Joseph Brand x0766

Program Description - The Air Transportation Program provides the Governor with air transportation.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2010	PL Base Adjustment Fiscal 2012	New Proposals Fiscal 2012	Total Exec. Budget Fiscal 2012	PL Base Adjustment Fiscal 2013	New Proposals Fiscal 2013	Total Exec. Budget Fiscal 2013
FTE	1.50	0.00	0.00	1.50	0.00	0.00	1.50
Personal Services	113,734	5,944	0	119,678	5,683	0	119,417
Operating Expenses	193,988	6,080	0	200,068	14,633	0	208,621
Total Costs	\$307,722	\$12,024	\$0	\$319,746	\$20,316	\$0	\$328,038
General Fund	306,417	12,024	0	318,441	20,316	0	326,733
State/Other Special	1,305	0	0	1,305	0	0	1,305
Total Funds	\$307,722	\$12,024	\$0	\$319,746	\$20,316	\$0	\$328,038

Language: "The Air Transportation is appropriated up to \$45,000 for the 2013 biennium from the air transportation state special revenue fund to be used for aircraft maintenance and operating expenses."

**GOVERNOR'S OFFICE-3101
OFFICE OF BUDGET & PROGRAM PLANNING-04**

**04 Office of Budget &
Program Planning
David Ewer x3616**

Program Description - The Office of Budget and Program Planning (OBPP) assists the Governor in preparing the Governor's Executive Budget and administering the state government budget. In addition, the OBPP prepares and monitors revenue estimates and collections, prepares and publishes fiscal notes on proposed legislation and initiatives, and acts as approving authority for operational plan changes, program transfers, and budget amendments in the Executive Branch, in accordance with Title 17, Chapter 7, MCA. The OBPP acts as the lead Executive Branch agency for compliance with the federal Single Audit Act.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2010	PL Base Adjustment Fiscal 2012	New Proposals Fiscal 2012	Total Exec. Budget Fiscal 2012	PL Base Adjustment Fiscal 2013	New Proposals Fiscal 2013	Total Exec. Budget Fiscal 2013
FTE	19.00	0.00	0.00	19.00	0.00	0.00	19.00
Personal Services	1,324,041	173,573	0	1,497,614	175,569	0	1,499,610
Operating Expenses	208,859	(3,428)	0	205,431	(12,985)	0	195,874
Total Costs	\$1,532,900	\$170,145	\$0	\$1,703,045	\$162,584	\$0	\$1,695,484
General Fund	1,532,900	170,145	0	1,703,045	162,584	0	1,695,484
Total Funds	\$1,532,900	\$170,145	\$0	\$1,703,045	\$162,584	\$0	\$1,695,484

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$513	\$513
FY 2013	\$8,476	\$8,476

PL- 4001 - Global Insight Contract and Session Costs -

The budget for the Office of Budget and Program Planning contains funding to pay for the subscription to IHS Global Insight. This subscription provides economic data that is used by both the Legislative Fiscal Division staff and OBPP staff in developing revenue estimates and in conducting other analyses. The cost of the contract for the economic data will increase 2% per year in the next biennium. This increased cost is approximately \$513 in FY 2012 and \$976 in FY 2013. This decision package also includes \$7,500 in FY 2013 only to cover the increased costs related to the preparation and publication of the executive budget. This is a standard request that occurs every biennium as the costs do not occur in the base year. The total biennial cost is \$8,989 from general fund.

**GOVERNOR'S OFFICE-3101
COORDINATOR OF INDIAN AFFAIRS-05**

**05 Coordinator of
Indian Affairs
Lesa Evers x3702**

Program Description - The Coordinator of Indian Affairs Program serves as the Governor's liaison with state Indian tribes, provides information and policy support on issues confronting the Indians of Montana, and advises and makes recommendations on these issues to the Legislative and Executive Branches. The coordinator also serves the Montana congressional delegation as an advisor and intermediary in the field of Indian affairs and acts as spokesperson for representative Native American organizations and groups, both public and private, whenever that support is requested. The program is mandated by 2-15-217 and 90-11-101, MCA.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2010	PL Base Adjustment Fiscal 2012	New Proposals Fiscal 2012	Total Exec. Budget Fiscal 2012	PL Base Adjustment Fiscal 2013	New Proposals Fiscal 2013	Total Exec. Budget Fiscal 2013
FTE	2.00	0.00	0.00	2.00	0.00	0.00	2.00
Personal Services	152,841	(5,830)	0	147,011	(6,206)	0	146,635
Operating Expenses	27,953	884	0	28,837	926	0	28,879
Total Costs	\$180,794	(\$4,946)	\$0	\$175,848	(\$5,280)	\$0	\$175,514
General Fund	180,794	(4,946)	0	175,848	(5,280)	0	175,514
Total Funds	\$180,794	(\$4,946)	\$0	\$175,848	(\$5,280)	\$0	\$175,514

GOVERNOR'S OFFICE-3101 CENTRALIZED SERVICES DIVISION-06

**06 Centralized Services
Program
Rosemary Harmon x5518**

Program Description - The Centralized Services Program provides business services to all programs within the Governor's Office. Services include payroll and personnel, accounting, central asset management and computer replacement, data processing, and budget preparation and monitoring for the entire office.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2010	PL Base Adjustment Fiscal 2012	New Proposals Fiscal 2012	Total Exec. Budget Fiscal 2012	PL Base Adjustment Fiscal 2013	New Proposals Fiscal 2013	Total Exec. Budget Fiscal 2013
FTE	4.00	0.00	0.00	4.00	0.00	0.00	4.00
Personal Services	298,318	(20,310)	0	278,008	(19,684)	0	278,634
Operating Expenses	65,549	49,166	8,865	123,580	(13,123)	6,603	59,029
Total Costs	\$363,867	\$28,856	\$8,865	\$401,588	(\$32,807)	\$6,603	\$337,663
General Fund	363,867	28,856	8,865	401,588	(32,807)	6,603	337,663
Total Funds	\$363,867	\$28,856	\$8,865	\$401,588	(\$32,807)	\$6,603	\$337,663

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$44,600	\$44,600
FY 2013	\$21,800	\$21,800

PL- 6001 - Computer Replacement - 5 year replacement cycle -

Because the Governor's Office is not funded in the agency base budget for computer replacements, the agency has historically requested OTO funding in each executive budget for the number of computers that will need to be replaced during that biennium. Starting in FY 2011, the computer replacement cycle will move to 5 years. This request includes funding for replacing computer equipment that will exceed their 5 year expected life cycle in FY 2012 and FY 2013.

-----New Proposals-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$8,865	\$8,865
FY 2013	\$6,603	\$6,603

NP- 6002 - Relocate Governor's Office Servers to SMDC -

The budget includes general fund of \$6,865 in FY 2012 and \$6,603 in FY 2013 to pay the costs to SITSD of co-locating the Governor's Office servers at the new State of Montana Data Center (SMDC). In addition, the request includes \$2,000 general fund in FY 2012 only to purchase a KVM Console which is a keyboard and monitor unit which fits in the storage rack and allows staff to work on the server.

**GOVERNOR'S OFFICE-3101
LIEUTENANT GOVERNOR'S OFFICE-12**

12 Lieutenant Governor's
Office
Lieutenant Governor
John Bohlinger x5665

Program Description - The Office of the Lieutenant Governor is responsible for carrying out duties prescribed by statute established by Article VI, Section 4 of the Montana Constitution, as well as those delegated by the Governor. Statutory authority is Title 2, Chapter 15, part 3, MCA.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2010	PL Base Adjustment Fiscal 2012	New Proposals Fiscal 2012	Total Exec. Budget Fiscal 2012	PL Base Adjustment Fiscal 2013	New Proposals Fiscal 2013	Total Exec. Budget Fiscal 2013
FTE	3.94	0.00	0.00	3.94	0.00	0.00	3.94
Personal Services	301,872	1,237	0	303,109	372	0	302,244
Operating Expenses	47,052	(18,206)	0	28,846	(18,128)	0	28,924
Total Costs	\$348,924	(\$16,969)	\$0	\$331,955	(\$17,756)	\$0	\$331,168
General Fund	348,924	(16,969)	0	331,955	(17,756)	0	331,168
Total Funds	\$348,924	(\$16,969)	\$0	\$331,955	(\$17,756)	\$0	\$331,168

GOVERNOR'S OFFICE-3101 CITIZENS' ADVOCATE OFFICE-16

16 Citizens' Advocate Office
Bob Schleicher x3468

Program Description - The Citizens' Advocate Office exists to provide access to state government for Montana citizens. The office provides information to citizens and functions as a referral service for public comments, suggestions, and requests for information. The office provides a toll-free number to the public.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2010	PL Base Adjustment Fiscal 2012	New Proposals Fiscal 2012	Total Exec. Budget Fiscal 2012	PL Base Adjustment Fiscal 2013	New Proposals Fiscal 2013	Total Exec. Budget Fiscal 2013
FTE	1.50	0.00	0.00	1.50	0.00	0.00	1.50
Personal Services	93,580	(4,228)	0	89,352	(4,158)	0	89,422
Operating Expenses	10,602	880	0	11,482	920	0	11,522
Total Costs	\$104,182	(\$3,348)	\$0	\$100,834	(\$3,238)	\$0	\$100,944
General Fund	79,774	9,891	0	89,665	10,066	0	89,840
State/Other Special	24,408	(13,239)	0	11,169	(13,304)	0	11,104
Total Funds	\$104,182	(\$3,348)	\$0	\$100,834	(\$3,238)	\$0	\$100,944

GOVERNOR'S OFFICE-3101
MENTAL DISABILITIES BOARD OF VISITORS-20



Program Description - The Mental Disabilities Board of Visitors is charged with formally reviewing patient care and assisting people who have complaints about services at Montana's licensed mental health centers, community hospital psychiatric units, children's residential treatment programs, and at the state facilities that serve people with mental illnesses and developmental disabilities. The board provides legal services to patients at Montana State Hospital. The Governor appoints six board members who represent recipients of services and their families, and the mental health and developmental disability professions. The board employs administrative and legal staff and contracts with mental health and developmental disability professionals to carry out its responsibilities for patient representation and facility review. The Mental Disabilities Board of Visitors Program was created by the Developmental Disabilities Act of 1975 and the Mental Commitment and Treatment Act of 1975 and exists as a state mandate.

The Mental Health Ombudsman is statutorily directed to "represent the interests of individuals with regard to need for public mental health services". The office functions with 1.5 FTE responding to statewide requests for service. The Office of the Ombudsman was created by the legislature in 1999 and is appointed by the Governor for a four year term.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2010	PL Base Adjustment Fiscal 2012	New Proposals Fiscal 2012	Total Exec. Budget Fiscal 2012	PL Base Adjustment Fiscal 2013	New Proposals Fiscal 2013	Total Exec. Budget Fiscal 2013
FTE	5.00	0.00	0.00	5.00	0.00	0.00	5.00
Personal Services	322,968	282	0	323,250	1,198	0	324,166
Operating Expenses	74,604	(1,239)	0	73,365	(1,177)	0	73,427
Total Costs	\$397,572	(\$957)	\$0	\$396,615	\$21	\$0	\$397,593
General Fund	397,572	(957)	0	396,615	21	0	397,593
Total Funds	\$397,572	(\$957)	\$0	\$396,615	\$21	\$0	\$397,593

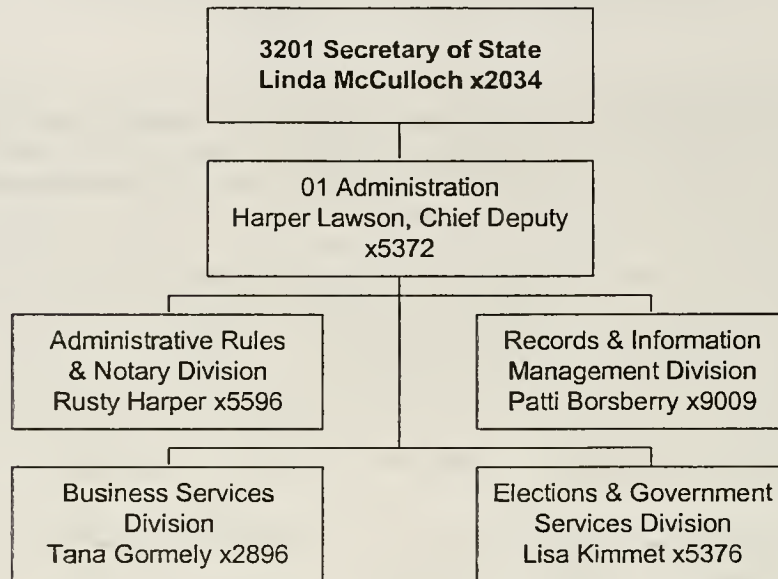
-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$5,166	\$5,166
FY 2013	\$5,166	\$5,166

PL- 2000 - Adjust Budget for Actual Pay Rate -
The Governor's Office requests additional personal services funding. The program has hired a 0.50 FTE Legal Assistant at a higher hourly rate than was captured in the personal services snapshot used for budgeting purposes. The Mental Disabilities Board of Visitors is therefore underfunded by \$5,166 each year. It is requested that the programs be provided this additional funding, sufficient to cover the actual personal service costs which this very small program is committed to pay.

SECRETARY OF STATES OFFICE-3201 BUSINESS & GOVERNMENT SERVICES-01

Please note that this agency also contains proprietary funding (see Section P).



Mission Statement - The Secretary of State's Office is committed to better positioning Montana for the future by embracing innovative ideas and technology to:

- Foster greater public confidence and participation in the electoral process
- Promote business activities by providing prompt and accurate service
- Act as the steward of state government records by educating agencies on the management and preservation of public documents
- Enhance the security of business transactions through the notary process

It is the mission of the Secretary of State to improve services to Montana's voters, business community, and governmental agencies through open communications, effective use of technology, and transparent accountability.

Statutory Authority - Article VI, Section 1, Montana Constitution; 2-4-311-312, 2-6-203, and 2-15-401, MCA.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2010	PL Base Adjustment Fiscal 2012	New Proposals Fiscal 2012	Total Exec. Budget Fiscal 2012	PL Base Adjustment Fiscal 2013	New Proposals Fiscal 2013	Total Exec. Budget Fiscal 2013
FTE	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Grants	0	0	550,000	550,000	0	0	0
Total Costs	\$0	\$0	\$550,000	\$550,000	\$0	\$0	\$0
Federal Special	0	0	550,000	550,000	0	0	0
Total Funds	\$0	\$0	\$550,000	\$550,000	\$0	\$0	\$0

**SECRETARY OF STATES OFFICE-3201
BUSINESS & GOVERNMENT SERVICES-01**

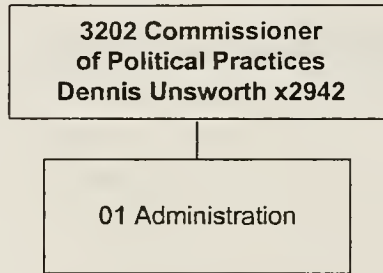
-----New Proposals-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$550,000	\$0
FY 2013	\$0	\$0

NP- 2 - HAVA (Biennial) OTO –

The Secretary of State's Office requests \$550,000 of federal authority related to Help America Vote Act (HAVA) be established as a biennial appropriation. The HAVA funds will be spent as grants to counties for continued voting equipment improvements. HAVA was initially awarded in 2003. Authority requested includes remaining HAVA funds and interest income during the 2013 biennium.

COMMISSIONER OF POLITICAL PRACTICES-3202 ADMINISTRATION-01



Mission Statement - To monitor and to enforce in a fair and impartial manner; campaign practices and campaign finance disclosure, lobbying disclosure, business interest disclosure of statewide and state district candidates, elected state officials and state department directors; ethical standards of conduct for legislators, public officers and state employees; and to investigate legitimate complaints that arise concerning any of the above.

Statutory Authority - Title 13, Chapter 37 and Title 2, Chapter 2, MCA.

Program Description - The Commissioner of Political Practices is provided for in 13-37-102, MCA, which was enacted in 1975 as part of a campaign finance and practice law reform package, with duties and responsibilities set forth in Title 13, Chapter 37, part 1, MCA. Additional responsibilities for the office were created through passage of an initiative in 1980 which provided for both lobbying disclosure and disclosure of business interests of elected officials. In 1995 the legislature enacted the code of ethics and assigned to the Commissioner the responsibility for administering ethical standards of conduct for legislators, public officers and state employees.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2010	PL Base Adjustment Fiscal 2012	New Proposals Fiscal 2012	Total Exec. Budget Fiscal 2012	PL Base Adjustment Fiscal 2013	New Proposals Fiscal 2013	Total Exec. Budget Fiscal 2013
FTE	6.00	0.00	0.00	6.00	0.00	0.00	6.00
Personal Services	259,692	47,082	0	306,774	47,336	0	307,028
Operating Expenses	174,125	40,956	50,000	265,081	35,463	50,000	259,588
Transfers	0	0	0	0	0	0	0
Total Costs	\$433,817	\$88,038	\$50,000	\$571,855	\$82,799	\$50,000	\$566,616
General Fund	433,817	88,038	50,000	571,855	82,799	50,000	566,616
Total Funds	\$433,817	\$88,038	\$50,000	\$571,855	\$82,799	\$50,000	\$566,616

-----New Proposals-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$50,000	\$50,000
FY 2013	\$50,000	\$50,000

NP- 32001 - Legal Budget Request -

The number of complaints, complex lawsuits, and investigations has increased over the past decade. As a result, the agency has a backlog and delayed resolution that hurts the credibility and effectiveness of the enforcement program. For many reasons, contracted services make more sense than FTE. This request is for \$100,000 for the biennium for contracted legal services in order to meet the legal needs of the agency.

STATE AUDITOR'S OFFICE-3401

3401 State Auditor's Office
Monica Lindeen x2040

State Land Board Staff
Dave Van Nice

Deputy State Auditor
Walter Schweitzer x2755

01 Central Services
Sharon McCabe x5438

01 Legal Unit
Chief Legal Counsel
Jesse Laslovich x5789

03 Insurance
Robert W. Moon x2041

04 Securities
Lynne Egan x4388

Mission Statement - The mission of the State Auditor's Office is to assure compliance with the Montana insurance and securities laws, promote captive insurance formations, administer the Insure Montana program, and assist consumers with complaints involving the securities and insurance industries. In addition, the office strives to keep abreast of regional and national developments in those industries in order to inform state policy makers about needed statutory changes and to answer inquiries.

Statutory Authority - Title 30, Chapter 10, MCA, Securities Regulation, and Title 33, MCA, Insurance.

Agency Proposed Budget							
Budget Item	Base Budget Fiscal 2010	PL Base Adjustment Fiscal 2012	New Proposals Fiscal 2012	Total Exec. Budget Fiscal 2012	PL Base Adjustment Fiscal 2013	New Proposals Fiscal 2013	Total Exec. Budget Fiscal 2013
FTE	82.50	0.00	2.00	84.50	0.00	2.00	84.50
Personal Services	4,744,653	334,232	137,831	5,216,716	333,297	137,481	5,215,431
Operating Expenses	1,743,953	1,053,710	0	2,797,663	710,074	0	2,454,027
Equipment & Intangible Assets	13,751	0	0	13,751	0	0	13,751
Benefits & Claims	10,253,392	941,377	0	11,194,769	941,377	0	11,194,769
Total Costs	\$16,755,749	\$2,329,319	\$137,831	\$19,222,899	\$1,984,748	\$137,481	\$18,877,978
State/Other Special Proprietary	16,755,749 0	2,329,319 0	137,831 0	19,222,899 0	1,984,748 0	137,481 0	18,877,978 0
Total Funds	\$16,755,749	\$2,329,319	\$137,831	\$19,222,899	\$1,984,748	\$137,481	\$18,877,978

STATE AUDITOR'S OFFICE-3401 CENTRAL MANAGEMENT-01

01 Central Services
Division
Sharon McCabe x5438

01 Legal Unit
Chief Legal Counsel
Jesse Laslovich x5789

Program Description - The Central Management Division is responsible for the administrative, personnel, budgeting, and accounting functions for the State Auditor's Office. The division also provides support to the Commissioner in fulfilling the duties as a member of the Land Board and Crop Hail Insurance Board.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2010	PL Base Adjustment Fiscal 2012	New Proposals Fiscal 2012	Total Exec. Budget Fiscal 2012	PL Base Adjustment Fiscal 2013	New Proposals Fiscal 2013	Total Exec. Budget Fiscal 2013
FTE	17.00	0.00	0.00	17.00	0.00	0.00	17.00
Personal Services	946,396	78,307	0	1,024,703	77,773	0	1,024,169
Operating Expenses	186,251	21,703	0	207,954	14,418	0	200,669
Equipment & Intangible Assets	2,800	0	0	2,800	0	0	2,800
Total Costs	\$1,135,447	\$100,010	\$0	\$1,235,457	\$92,191	\$0	\$1,227,638
State/Other Special	1,135,447	100,010	0	1,235,457	92,191	0	1,227,638
Total Funds	\$1,135,447	\$100,010	\$0	\$1,235,457	\$92,191	\$0	\$1,227,638

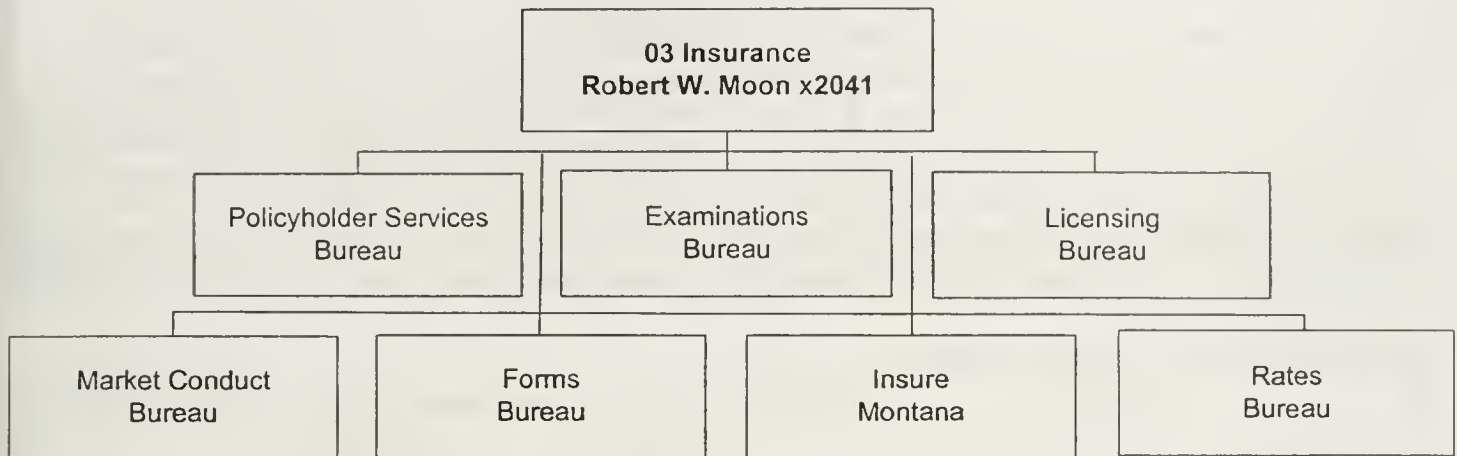
-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$21,929	\$0
FY 2013	\$21,929	\$0

PL- 101 - Rent Increase -

In February 2010, the State Auditor's Office entered into a five year lease. The leased office is located at 840 Helena Ave. The request is for an additional \$21,929 of state special revenue authority each fiscal year to cover the increased cost of the lease.

STATE AUDITOR'S OFFICE-3401 INSURANCE-03



Program Description - The Insurance Division regulates the insurance industry in Montana. The Policyholder Services Unit is responsible for resolving insurance consumer inquiries and complaints involving agents, coverage, and companies. The Examinations Bureau is responsible for monitoring the financial solvency of insurance companies, collecting premium taxes and company fees, and auditing insurance company annual statements. Also housed in this bureau is the Captive Insurance program, which promotes and regulates captive insurers in the state. The Rates Bureau and the Forms Bureau are responsible for reviewing form filings and rate filings to ensure compliance with the applicable insurance code. The Licensing Bureau is responsible for licensing and providing continuing education to insurance agents, agencies, and adjusters. The Insure Montana Bureau administers the Small Business Health Insurance Purchasing Pool and Tax Credit program. The Legal Unit, which serves both the Insurance and Securities Divisions, provides legal support to the divisions. The Investigations staff, which is under the Legal Unit, investigate code and rule violations, including possible criminal violations, and recommend referral of cases to county attorneys for prosecution.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2010	PL Base Adjustment Fiscal 2012	New Proposals Fiscal 2012	Total Exec. Budget Fiscal 2012	PL Base Adjustment Fiscal 2013	New Proposals Fiscal 2013	Total Exec. Budget Fiscal 2013
FTE	54.00	0.00	1.00	55.00	0.00	1.00	55.00
Personal Services	3,158,219	190,461	45,789	3,394,469	188,574	45,682	3,392,475
Operating Expenses	1,376,367	955,459	0	2,331,826	624,459	0	2,000,826
Equipment & Intangible Assets	9,057	0	0	9,057	0	0	9,057
Benefits & Claims	10,253,392	941,377	0	11,194,769	941,377	0	11,194,769
Total Costs	\$14,797,035	\$2,087,297	\$45,789	\$16,930,121	\$1,754,410	\$45,682	\$16,597,127
State/Other Special	14,797,035	2,087,297	45,789	16,930,121	1,754,410	45,682	16,597,127
Proprietary	0	0	0	0	0	0	0
Total Funds	\$14,797,035	\$2,087,297	\$45,789	\$16,930,121	\$1,754,410	\$45,682	\$16,597,127

STATE AUDITOR'S OFFICE-3401 INSURANCE-03

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$86,593	\$0
FY 2013	\$86,593	\$0

PL- 301 - Rent Increase -

In February 2010, the State Auditor's Office entered into a five year lease. The leased office is located at 840 Helena Ave. The request is for an additional \$86,593 of state special revenue authority each fiscal year to cover the increased cost of the lease.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$956,596	\$0
FY 2013	\$956,596	\$0

PL- 302 - Insure Montana Present Law Request -

The Insure Montana program is requesting \$956,596 in state special revenue authority each year of the 2013 Biennium to approximate the FY 2010 original appropriation. The program expended approximately 91% of the appropriated base budget in FY 2010 and anticipates expending 95% of the budget in FY 2011 since the program is restricted from expending more than 95% of the appropriated budget in 33-22-2008(3)(a) MCA.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$747,605	\$0
FY 2013	\$435,605	\$0

PL- 305 - Contract Examinations - Biennial -

The State Auditor requests state special revenue of \$747,605 in FY 2012 and \$435,605 in FY 2013 to accommodate the projected schedule of contract examinations. An exam fee is billed to the companies being examined. A biennial appropriation is requested.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$32,630	\$0
FY 2013	\$28,830	\$0

PL- 306 - Financial Regulation - Captive Insurance Companies -

The budget includes an increase of \$61,460 state special revenue for the biennium for examinations of capture insurance companies as required in 33-28-120, MCA. Exam travel expenses are reimbursed by the companies being examined.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$10,713	\$0
FY 2013	\$10,713	\$0

PL- 307 - Financial Regulation of Insurance Companies -

An increase of \$10,713 state special revenue each fiscal year is requested to cover the estimated increased cost of exams of insurance companies for solvency and claims payment ability. The examinations are performed by employees and the exam travel is charged to the companies being examined.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$32,423	\$0
FY 2013	\$40,423	\$0

**STATE AUDITOR'S OFFICE-3401
INSURANCE-03**

PL- 308 - Captives Insurance Regulatory and Supervision -

Additional state special revenue authority is requested to administer the requirements of 33-28-120, MCA, which established a captive insurance regulatory and supervision account. The purpose of the captive account is to provide the financial means for the commissioner to administer the captive insurance program and for reimbursement of reasonable expenses incurred in promoting the program. The account is funded through retention of 5% of the premium tax collected from captive insurance companies and all fees. The increase of \$72,846 state special revenue for the biennium is reflective of the estimated growth in the captive insurance program and the related increase in premium tax collection.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$34,000	\$0
FY 2013	\$34,000	\$0

PL- 309 - Establish Surplus Lines Regulation In-House -

This request is for authority to provide funding for the surplus lines regulatory activity which has been brought in-house. The office no longer contracts with a private entity for this purpose. The budget includes \$34,000 state special revenue each year for over site of surplus lines activity.

-----**New Proposals**-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$45,789	\$0
FY 2013	\$45,682	\$0

NP- 304 - Continuation of Forms Analyst -

The 2009 Legislature approved 1.00 FTE Forms Analyst and associated funding as an OTO. The position allows the bureau to meet the statutory requirements of 33-1-501, MCA, which includes a "deemer" provision. This provision states that if after 60 days from the date of receipt (of a filing) by the commissioner's office; the commissioner has not approved or disapproved the form by a notice; the form can be considered approved by the insurer. Without this position the 60 day time frame to complete the forms review will not be met. The budget includes approximately \$45,000 state special revenue each year to continue the forms analyst position.

STATE AUDITOR'S OFFICE-3401 SECURITIES-04

04 Securities
Lynne Egan x4388

Program Description - The Securities Division is responsible for the administration and enforcement of the Securities Act of Montana and, in particular, for the registration of securities issuers, salespeople, broker-dealers, investment advisers, investment adviser representatives and multi-level marketing companies. The division also is responsible for the investigation of unregistered and fraudulent securities transactions. The division has sole jurisdiction for investment advisor firms with assets of under \$100 million. The division investigates securities code and rule violations, including possible criminal violations, takes appropriate administrative action and refers criminal cases to either federal authorities or county attorneys for prosecution.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2010	PL Base Adjustment Fiscal 2012	New Proposals Fiscal 2012	Total Exec. Budget Fiscal 2012	PL Base Adjustment Fiscal 2013	New Proposals Fiscal 2013	Total Exec. Budget Fiscal 2013
FTE	11.50	0.00	1.00	12.50	0.00	1.00	12.50
Personal Services	640,038	65,464	92,042	797,544	66,950	91,799	798,787
Operating Expenses	181,335	76,548	0	257,883	71,197	0	252,532
Equipment & Intangible Assets	1,894	0	0	1,894	0	0	1,894
Total Costs	\$823,267	\$142,012	\$92,042	\$1,057,321	\$138,147	\$91,799	\$1,053,213
State/Other Special	823,267	142,012	92,042	1,057,321	138,147	91,799	1,053,213
Total Funds	\$823,267	\$142,012	\$92,042	\$1,057,321	\$138,147	\$91,799	\$1,053,213

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$31,348	\$0
FY 2013	\$31,348	\$0

PL- 401 - Rent Increase -

In February 2010, the State Auditor's Office entered into a five year lease. The leased office is located at 840 Helena Ave. The request is for an additional \$31,348 of state special revenue authority each fiscal year to cover the increased cost of the lease.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$41,392	\$0
FY 2013	\$41,392	\$0

PL- 403 - Securities Contract Examination-Biennial -

In order to meet statutory requirements, the Securities Division estimates it will need to contract for at least 20 examinations of broker-dealer and investment advisory firms annually in the 2013 biennium. The incremental cost for these exams is \$41,392 state special revenue each year. Exam fees are billed to companies being examined. Funding is requested as a biennial appropriation.

-----New Proposals-----

**STATE AUDITOR'S OFFICE-3401
SECURITIES-04**

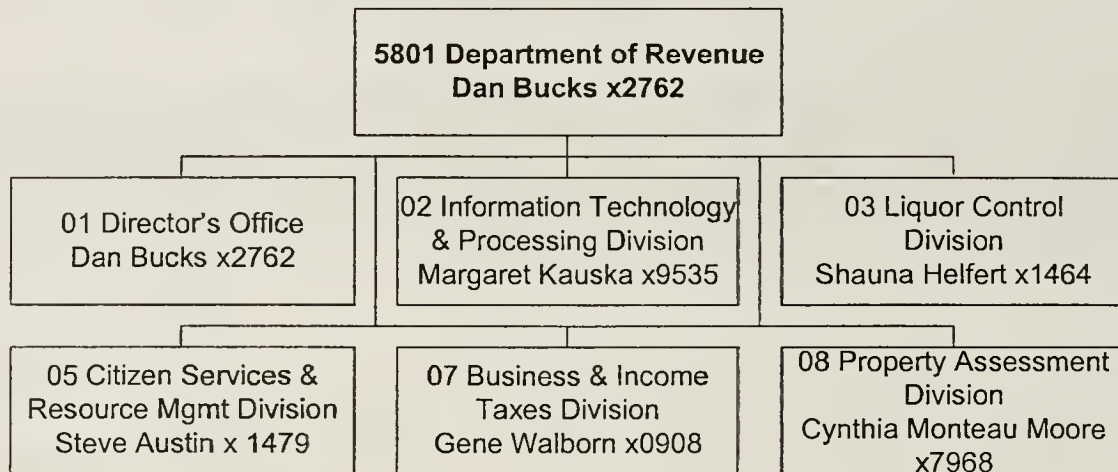
	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$92,042	\$0
FY 2013	\$91,799	\$0

NP- 402 - Continuation of Legal FTE -

This request is for the continuance of state special revenue authority for the Legal FTE which was approved as an OTO in the last legislative session. The 2009 legislature approved 1.00 FTE legal staff and associated funding for the Securities Division as an OTO. This decision package request continues authorization of this 1.00 FTE and approximately \$92,000 state special revenue each year. This position is necessary due to the continued substantial demand for legal services by the Securities Division.

DEPARTMENT OF REVENUE-5801

Please note that this agency also contains proprietary funding (see Section P).

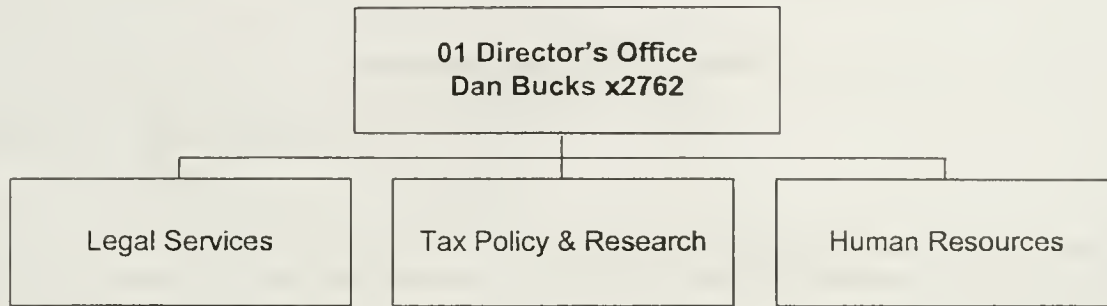


Mission Statement - The quality of life for all Montanans is better because we excel at public service and effective administration of the tax and liquor laws of Montana. We do this by ensuring that revenues intended by the legislature to be raised are collected to serve Montanans; advancing equity and integrity in taxation; providing innovative and respectful service; protecting the public health and safety, and achieving efficiency in liquor administration; and improving public understanding of Montana's revenue system.

Statutory Authority - Titles 2, 15, 16, 39, MCA

Agency Proposed Budget							
Budget Item	Base Budget Fiscal 2010	PL Base Adjustment Fiscal 2012	New Proposals Fiscal 2012	Total Exec. Budget Fiscal 2012	PL Base Adjustment Fiscal 2013	New Proposals Fiscal 2013	Total Exec. Budget Fiscal 2013
FTE	657.53	1.00	14.00	672.53	1.00	14.00	672.53
Personal Services	34,802,579	1,588,060	780,280	37,170,919	1,667,877	778,463	37,248,919
Operating Expenses	17,778,349	(1,580,544)	(6,818)	16,190,987	(1,695,531)	(4,829)	16,077,989
Equipment & Intangible Assets	383,777	(52,799)	0	330,978	(52,799)	0	330,978
Total Costs	\$52,964,705	(\$45,283)	\$773,462	\$53,692,884	(\$80,453)	\$773,634	\$53,657,886
General Fund	49,569,692	(450,746)	490,287	49,609,233	(489,437)	490,176	49,570,431
State/Other Special	761,721	137,928	283,175	1,182,824	134,578	283,458	1,179,757
Federal Special	204,942	65,268	0	270,210	66,276	0	271,218
Proprietary	2,428,350	202,267	0	2,630,617	208,130	0	2,636,480
Total Funds	\$52,964,705	(\$45,283)	\$773,462	\$53,692,884	(\$80,453)	\$773,634	\$53,657,886

**DEPARTMENT OF REVENUE-5801
DIRECTOR'S OFFICE-01**



Program Description - The Director's Office is responsible for overall efficient and effective management of the department to support and ensure success of the revenue collections and property valuation responsibilities of the operating divisions. To achieve this, the Director's Office is composed of four primary sections.

The Executive Office is responsible for the general guidance and management of the agency. This office assists the director with administrative functions and communication to the public, other agencies, and elected officials and includes the Office of Taxpayer Assistance.

The Legal Services Office is responsible for the overall legal efforts of the department including legal representation before various courts, legislation development and review, filing bankruptcy claims, and developing policy and administrative rules. This office oversees the Security and Disclosure Office that is responsible for ensuring that all taxpayer information is secure. The office also oversees the Office of Dispute Resolution that reviews, facilitates, and resolves taxpayer disputes internally through a variety of means including hearings and mediation.

Tax Policy and Research provides accurate and timely information for the Governor, the Legislature, and Montana citizens including the compilation of basic tax data and the publication of the Biennial Report and other documents; conducts tax, economic, and compliance studies; prepares legislative fiscal notes that affect revenue; provides analysis of legislative proposals affecting the department; and provides department economic and compliance data analysis.

Human Resources and Organizational Development is responsible for the human resources, payroll and benefits, and education and training functions of the department.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2010	PL Base Adjustment Fiscal 2012	New Proposals Fiscal 2012	Total Exec. Budget Fiscal 2012	PL Base Adjustment Fiscal 2013	New Proposals Fiscal 2013	Total Exec. Budget Fiscal 2013
FTE	51.48	0.00	0.00	51.48	0.00	0.00	51.48
Personal Services	3,774,894	116,535	0	3,891,429	187,609	0	3,962,503
Operating Expenses	1,956,810	28,579	(1,310)	1,984,079	(154,251)	(1,310)	1,801,249
Total Costs	\$5,731,704	\$145,114	(\$1,310)	\$5,875,508	\$33,358	(\$1,310)	\$5,763,752
General Fund	5,534,250	115,990	(1,310)	5,648,930	2,158	(1,310)	5,535,098
State/Other Special	107,326	4,451	0	111,777	5,613	0	112,939
Federal Special	1,000	0	0	1,000	0	0	1,000
Proprietary	89,128	24,673	0	113,801	25,587	0	114,715
Total Funds	\$5,731,704	\$145,114	(\$1,310)	\$5,875,508	\$33,358	(\$1,310)	\$5,763,752

**DEPARTMENT OF REVENUE-5801
DIRECTOR'S OFFICE-01**

-----**Present Law Adjustments**-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$0	\$0
FY 2013	\$70,000	\$70,000

PL- 101 - Overtime Pay for Timely Legislative Fiscal Notes -

The Department of Revenue, Director's Office requests \$70,000 in general fund in the 2013 biennium to cover necessary overtime expenditures in the Tax Policy and Research Office created by the staff time required for fiscal note preparation in the 2013 legislative session.

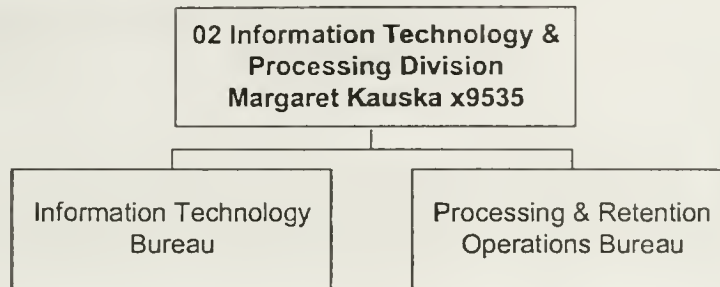
-----**New Proposals**-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	(\$1,310)	(\$1,310)
FY 2013	(\$1,310)	(\$1,310)

NP- 102 - Sustainable Reductions from 17-7-140, MCA -

The Department of Revenue, Director's Office reduces its operating expense budget by \$2,620 in general fund in the 2013 biennium as a result of the operating efficiencies achieved through the 17-7-140, MCA, budget reduction.

DEPARTMENT OF REVENUE-5801 INFORMATION TECHNOLOGY & PROCESSING-02



Program Description - The Information Technology and Processing Division serves as the operational foundation for the department's business units. Timely refunds and other key services for taxpayers, effective tax compliance collections, accurate valuation of property, and the timely certification of property values to local governments all depend on the effective operation of this division. The division's timely deposit of and accurate accounting for over \$1.7 billion dollars in taxpayer payments annually enhances the investment earnings of the state and helps ensure the fiscal integrity of the state. These services are provided while ensuring the security and protection of confidential taxpayer information, facilitating the department's mission to serve the citizens of Montana.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2010	PL Base Adjustment Fiscal 2012	New Proposals Fiscal 2012	Total Exec. Budget Fiscal 2012	PL Base Adjustment Fiscal 2013	New Proposals Fiscal 2013	Total Exec. Budget Fiscal 2013
FTE	85.75	0.00	0.00	85.75	0.00	0.00	85.75
Personal Services	4,043,708	270,327	0	4,314,035	272,702	0	4,316,410
Operating Expenses	8,401,719	(1,345,226)	(6,321)	7,050,172	(1,327,487)	(6,321)	7,067,911
Equipment & Intangible Assets	238,120	0	0	238,120	0	0	238,120
Total Costs	\$12,683,547	(\$1,074,899)	(\$6,321)	\$11,602,327	(\$1,054,785)	(\$6,321)	\$11,622,441
General Fund	12,476,399	(1,135,965)	(6,321)	11,334,113	(1,115,969)	(6,321)	11,354,109
State/Other Special	131,279	0	0	131,279	0	0	131,279
Proprietary	75,869	61,066	0	136,935	61,184	0	137,053
Total Funds	\$12,683,547	(\$1,074,899)	(\$6,321)	\$11,602,327	(\$1,054,785)	(\$6,321)	\$11,622,441

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$26,675	\$26,675
FY 2013	\$40,415	\$40,415

PL- 201 - Present Law Base Adjustment - Rent -

The Department of Revenue, Information Technology and Processing Division requests \$67,090 in general fund for the 2013 biennium to pay for rent increases for existing lease obligations at the Donovan Building.

**DEPARTMENT OF REVENUE-5801
INFORMATION TECHNOLOGY & PROCESSING-02**

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	(\$5,060)	(\$5,060)
FY 2013	(\$5,060)	(\$5,060)

PL- 203 - Vehicle Reduction -

The Executive Budget reduces the department's operating expense budget by \$10,120 in general fund in the 2013 biennium from vehicle savings. As part of a comprehensive analysis of the department's vehicle fleet, it was determined that this division could return one leased vehicle to the Montana Department of Transportation.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$150,000	\$150,000
FY 2013	\$150,000	\$150,000

PL- 205 - Ongoing Maintenance of Imaging and Scanning -

The Department of Revenue, Information Technology and Processing Division requests \$300,000 general fund in the 2013 biennium for ongoing vendor maintenance and support for the hardware and software used for imaging and scanning of several hundred thousand tax returns, payments, and other documents annually.

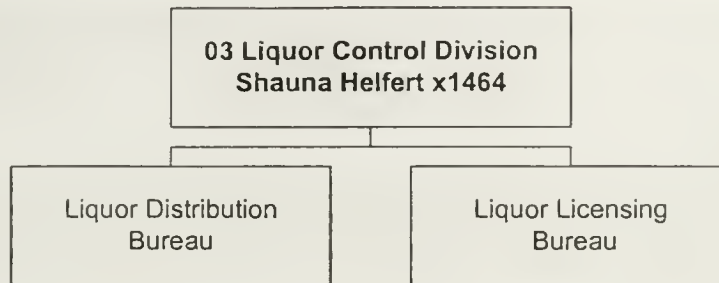
-----**New Proposals**-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	(\$6,321)	(\$6,321)
FY 2013	(\$6,321)	(\$6,321)

NP- 202 - Sustainable Reductions from 17-7-140, MCA -

The Department of Revenue, Information Technology and Processing Division reduces its operating expense budget by \$12,642 in general fund in the 2013 biennium as a result of the operating efficiencies achieved through the 17-7-140, MCA, budget reduction.

**DEPARTMENT OF REVENUE-5801
LIQUOR CONTROL DIVISION-03**



Program Description - The Liquor Control Division provides effective and efficient administration of the Montana alcoholic beverage code with an emphasis on customer service and public safety. This is accomplished by applying uniform and fair regulations while ensuring an orderly system for the convenient distribution and responsible consumption of alcoholic beverages. The division consists of the Liquor Distribution Bureau, which efficiently maintains a regulated channel of distribution to fulfill the public demand for distilled spirits and fortified wine through agency liquor stores; and the Liquor Licensing Bureau, which protects the welfare and safety of the public by regulating liquor licensing laws in a uniform and fair manner.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2010	PL Base Adjustment Fiscal 2012	New Proposals Fiscal 2012	Total Exec. Budget Fiscal 2012	PL Base Adjustment Fiscal 2013	New Proposals Fiscal 2013	Total Exec. Budget Fiscal 2013
FTE	29.00	0.00	0.00	29.00	0.00	0.00	29.00
Personal Services	1,573,175	214,841	0	1,788,016	215,936	0	1,789,111
Operating Expenses	612,911	(90,931)	0	521,980	(87,225)	0	525,686
Equipment & Intangible Assets	26,700	0	0	26,700	0	0	26,700
Total Costs	\$2,212,786	\$123,910	\$0	\$2,336,696	\$128,711	\$0	\$2,341,497
Proprietary	2,212,786	123,910	0	2,336,696	128,711	0	2,341,497
Total Funds	\$2,212,786	\$123,910	\$0	\$2,336,696	\$128,711	\$0	\$2,341,497

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$50,000	\$0
FY 2013	\$50,000	\$0

PL- 303 - Personal Services for Termination Payouts -

The Department of Revenue, Liquor Control Division is requesting additional funding of \$100,000 in proprietary funds for the 2013 biennium for accrued leave termination payouts. This request has been made and approved by several previous legislatures; however, due to budgetary rules, it must be requested each legislative session.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$55,000	\$0
FY 2013	\$55,000	\$0

PL- 304 - Personal Services for Overtime and Temporary Staff -

The Department of Revenue, Liquor Control Division is requesting additional funding of \$110,000 in proprietary funds for the 2013 biennium to meet the required statutory service levels for liquor. This request has been made and approved by several previous legislatures; however, due to budgetary rules related to overtime pay, it must be requested each legislative session.

DEPARTMENT OF REVENUE-5801
LIQUOR CONTROL DIVISION-03

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	(\$60,000)	\$0
FY 2013	(\$60,000)	\$0

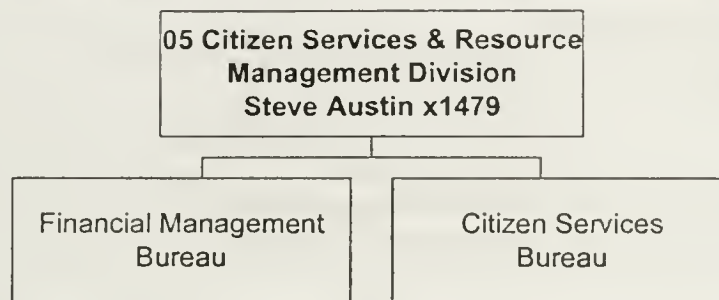
PL- 305 - Reduce Base Budget -

The Department of Revenue, Liquor Control Division reduces its base budget by \$120,000 in proprietary funds in the 2013 biennium. In FY 2010, the division moved budget authority into its operating expenses budget to cover purchases incurred by the department in relation to the Liquor Warehouse Renovation project. To maintain the base budget at the level appropriated by the last legislature, this amount should be removed from the division's base budget.

Language Recommendations -

Liquor Control Division is requesting language appropriation from the liquor enterprise funds not to exceed \$124,000,000 in FY 2012 and \$130,000,000 in FY 2013 to maintain adequate inventories necessary to meet statutory requirements, to pay freight costs and to transfer profits and taxes to appropriate accounts. This proposal is necessary as well to generate annual profits of \$9,200,000 for the state general fund.

**DEPARTMENT OF REVENUE-5801
CITIZEN SERVICES & RESOURCE MANAGEMENT-05**



Program Description - The Citizen Services and Resource Management Division integrates the department's accounting, purchasing, safety and security, and statewide facility functions through the Financial and Asset Management Bureau. This bureau ensures state tax collections and department expenses are properly accounted for, supports the efficient and safe operation of department facilities, and conducts disaster and emergency preparedness and continuity of government activities. The division's Citizen Services Bureau assists taxpayers by answering questions through the department's call center, coordinates the one-stop business licensing program to create efficiencies and reduced costs to businesses, returns unclaimed property that has been remitted to the state to the rightful owners, and strives to create tax forms and instructions that are thorough and understandable. The division focuses on providing services to citizens, including the advancement of free electronic filing, and support services to the other divisions of the department.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2010	PL Base Adjustment Fiscal 2012	New Proposals Fiscal 2012	Total Exec. Budget Fiscal 2012	PL Base Adjustment Fiscal 2013	New Proposals Fiscal 2013	Total Exec. Budget Fiscal 2013
FTE	28.00	0.00	0.00	28.00	0.00	0.00	28.00
Personal Services	1,475,880	51,598	0	1,527,478	51,203	0	1,527,083
Operating Expenses	642,166	(10,427)	(398)	631,341	(8,515)	(398)	633,253
Total Costs	\$2,118,046	\$41,171	(\$398)	\$2,158,819	\$42,688	(\$398)	\$2,160,336
General Fund	1,919,257	1,861	(398)	1,920,720	3,765	(398)	1,922,624
State/Other Special	148,222	46,692	0	194,914	46,275	0	194,497
Proprietary	50,567	(7,382)	0	43,185	(7,352)	0	43,215
Total Funds	\$2,118,046	\$41,171	(\$398)	\$2,158,819	\$42,688	(\$398)	\$2,160,336

-----New Proposals-----

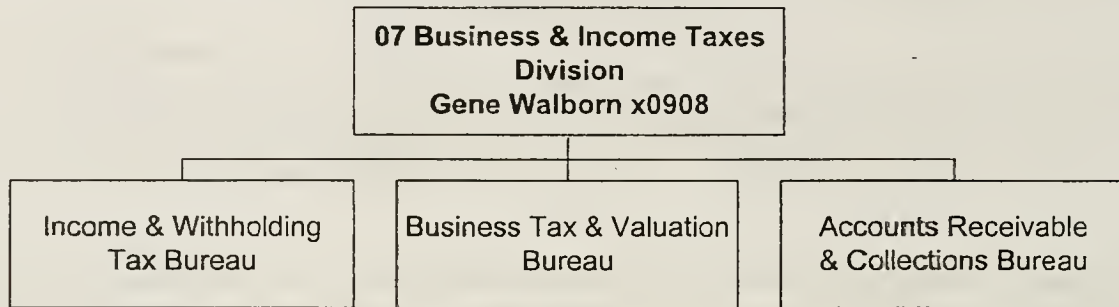
	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	(\$398)	(\$398)
FY 2013	(\$398)	(\$398)

NP- 502 - Sustainable Reductions from 17-7-140, MCA -

The Department of Revenue, Citizen Services and Resource Management Division reduces its operating expense budget by \$796 in general fund in the 2013 biennium as a result of the operating efficiencies achieved through the 17-7-140, MCA, budget reduction.

DEPARTMENT OF REVENUE-5801 BUSINESS & INCOME TAXES DIVISION-07

Please note that this program also contains proprietary funding (see Section P).



Program Description - The Business and Income Taxes Division is responsible for the administration of and collection of over \$1.3 billion annually for 38 Montana taxes and fees including but not limited to corporation license, natural resource, withholding, individual income, lodging facilities, cigarette and tobacco products, contractor's gross receipts, and telecommunications taxes. The division also values all industrial and centrally assessed property in the state which generates \$225 million in state and local revenue annually. The division is responsible for ensuring that citizens and businesses pay their fair share of Montana taxes. Some of the duties associated with administration include: tax type expertise, taxpayer education, auditing, identification of non-filers, delinquent account collection, and overall tax compliance. The Accounts Receivable and Collections Bureau, the Business Tax and Valuation Bureau, and the Income and Withholding Tax Bureau handle these functions for the department.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2010	PL Base Adjustment Fiscal 2012	New Proposals Fiscal 2012	Total Exec. Budget Fiscal 2012	PL Base Adjustment Fiscal 2013	New Proposals Fiscal 2013	Total Exec. Budget Fiscal 2013
FTE	156.95	0.00	13.00	169.95	0.00	13.00	169.95
Personal Services	8,593,301	431,652	731,803	9,756,756	433,128	730,097	9,756,526
Operating Expenses	1,944,528	28,626	48,961	2,022,115	39,847	50,950	2,035,325
Equipment & Intangible Assets	52,799	(52,799)	0	0	(52,799)	0	0
Total Costs	\$10,590,628	\$407,479	\$780,764	\$11,778,871	\$420,176	\$781,047	\$11,791,851
General Fund	10,028,704	308,678	497,589	10,834,971	319,469	497,589	10,845,762
State/Other Special	357,982	33,533	283,175	674,690	34,431	283,458	675,871
Federal Special	203,942	65,268	0	269,210	66,276	0	270,218
Total Funds	\$10,590,628	\$407,479	\$780,764	\$11,778,871	\$420,176	\$781,047	\$11,791,851

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	(\$5,060)	(\$5,060)
FY 2013	(\$5,060)	(\$5,060)

PL- 703 - Vehicle Reduction -

The Department of Revenue, Business and Income Taxes Division reduces its operating expense budget by \$10,120 in general fund in the 2013 biennium. As part of a comprehensive analysis of the department's vehicle fleet, it was determined that this division could return one leased vehicle to the Montana Department of Transportation.

**DEPARTMENT OF REVENUE-5801
BUSINESS & INCOME TAXES DIVISION-07**

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$66,020	\$0
FY 2013	\$66,020	\$0

PL- 704 - Additional Federal Royalty Audit Authority -

The Department of Revenue, Business and Income Taxes Division requests \$132,040 in federal special revenue authority for the 2013 biennium to match spending authority to monies available for the Federal Royalty Audit Program. This increase is requested for operating costs associated with the program.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	(\$52,799)	(\$52,799)
FY 2013	(\$52,799)	(\$52,799)

PL- 709 - Reduce Base Budget -

The budget includes a base budget reduction of \$105,598 in general fund in the 2013 biennium. In FY 2010, the division moved budget authority into its equipment budget to implement video conferencing. Increased use of video conferencing helps to make the department more efficient by using staff time to accomplish work and provide services to citizens instead of engaging in travel; more cost conscious by decreasing travel expenses; more environmentally friendly by reducing travel by department employees; and more safe by reducing the risk to department employees from travelling across the state.

-----**New Proposals**-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	(\$2,411)	(\$2,411)
FY 2013	(\$2,411)	(\$2,411)

NP- 702 - Sustainable Reductions from 17-7-140, MCA -

The Department of Revenue, Business and Income Taxes Division reduces its operating expense budget by \$4,822 in general fund in the 2013 biennium as a result of the operational efficiencies identified in the 17-7-140, MCA, budget reduction.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$112,066	\$0
FY 2013	\$112,771	\$0

NP- 706 - Modified FTE into Permanent - Abandoned Property -

This decision package requests \$224,837 in state special revenue authority and 2.00 FTE in the 2013 biennium to continue the Abandoned Property Compliance Program. For the 2011 biennium, the legislature approved spending authority on a one-time-only basis with no FTE for this program. The department used 2.00 modified FTE to implement the program; however due to the restrictions on the spending authority (OTO), expenditures were removed from a department's base budget and therefore must be requested again.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$171,109	\$0
FY 2013	\$170,687	\$0

NP- 707 - Modified FTE into Permanent-Tobacco Tax Revenues -

The Department of Revenue, Business and Income Taxes Division requests \$341,796 in state special revenue authority and 3.00 FTE in the 2013 biennium to continue the Tobacco Tax Compliance Program. For the 2011 biennium, the legislature approved spending authority for this program but with no FTE. The department used 3.00 modified FTE to continue the program; however funds spent on modified FTE are removed from a department's base budget and therefore must be requested again.

**DEPARTMENT OF REVENUE-5801
BUSINESS & INCOME TAXES DIVISION-07**

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$500,000	\$500,000
FY 2013	\$500,000	\$500,000

NP- 708 - Increase Revenues via Fair Share Tax Compliance. -

The Department of Revenue, Business and Income Taxes Division (BITD) requests \$1,000,000 in general fund and 8.00 FTE in the 2013 biennium for additional staff to continue to close Montana's tax gap. Approval of this proposal will better ensure that Montana receives the tax that is due based on Montana statute. This proposal will generate additional revenues estimated at \$5 million for the 2013 biennium. Generally, the tax gap is measured as the difference between taxes owed on legitimate, legal activities and taxes paid voluntarily and in a timely manner. Recent compliance data shows that a disproportionate share of this tax gap is owed by non-residents and out-of-state companies. If the tax gap remains unaddressed, it imposes an unfair burden on those who pay on time and accurately; erodes public confidence in the voluntary tax system; encourages further non-compliance with tax law; and reduces revenue needed for the state to provide essential services. Understandably, the tax gap is subject to increased scrutiny when budgets are challenged by declining revenues, because it represents an opportunity to increase revenue collections without raising taxes. The department has estimated Montana's tax gap to be approximately \$300 million annually. Of this amount, the department believes that \$50 million can be reasonable collected in the near term through a combination of additional staff and statutory changes.

**DEPARTMENT OF REVENUE-5801
PROPERTY ASSESSMENT DIVISION-08**

**08 Property Assessment
Division
Cynthia Monteau Moore x7968**

Central Office

Region 1

Region 2

Region 3

Region 4

Program Description - The Property Assessment Division effectively and efficiently administers the state's real and personal property tax laws while emphasizing customer service. It accomplishes this through uniform and equitable valuation and assessment regulations for residential, commercial, agricultural, forestland, and business equipment property. The division discovers, appraises, and assesses real and personal property for the local governing bodies that include about 1,200 levy districts and another 1,200 individual taxing jurisdictions. The division provides accurate and proficient tax billing information to the local county treasurers for their generation of more than a half million tax bills and \$1 billion in taxes for all classes of property. The division consists of the Central Office Bureau and four regions. The Central Office Bureau provides technical and administrative support to the department's local office staff in each of the four regions. The department's local office staff provides the property taxpayers with information and assistance.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2010	PL Base Adjustment Fiscal 2012	New Proposals Fiscal 2012	Total Exec. Budget Fiscal 2012	PL Base Adjustment Fiscal 2013	New Proposals Fiscal 2013	Total Exec. Budget Fiscal 2013
FTE	306.35	1.00	1.00	308.35	1.00	1.00	308.35
Personal Services	15,341,621	503,107	48,477	15,893,205	507,299	48,366	15,897,286
Operating Expenses	4,220,215	(191,165)	(47,750)	3,981,300	(157,900)	(47,750)	4,014,565
Equipment & Intangible Assets	66,158	0	0	66,158	0	0	66,158
Total Costs	\$19,627,994	\$311,942	\$727	\$19,940,663	\$349,399	\$616	\$19,978,009
General Fund	19,611,082	258,690	727	19,870,499	301,140	616	19,912,838
State/Other Special	16,912	53,252	0	70,164	48,259	0	65,171
Total Funds	\$19,627,994	\$311,942	\$727	\$19,940,663	\$349,399	\$616	\$19,978,009

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$62,219	\$62,219
FY 2013	\$79,569	\$79,569

PL- 801 - Present Law Base Adjustment - Rent -

The Department of Revenue, Property Assessment Division requests \$141,788 in general fund for the 2013 biennium to pay for rent increases for existing lease obligations. The division employs over 300 employees and maintains offices in all 56 Montana counties. This proposal pays rent for space the Property Assessment Division currently occupies for its staff throughout the state. This proposal incorporates \$48,975 of savings for the 2013 biennium from the renegotiation, by the Governor's office, of an office leased for use by the department.

DEPARTMENT OF REVENUE-5801

PROPERTY ASSESSMENT DIVISION-08

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	(\$21,685)	(\$21,685)
FY 2013	(\$21,685)	(\$21,685)

PL- 803 - Vehicle Reduction -

The Department of Revenue, Property Assessment Division reduces its operating expense budget by \$43,370 in general fund in the 2013 biennium. As part of a comprehensive analysis of the department's vehicle fleet, it was determined that this division could return four leased vehicles to the Montana Department of Transportation. In addition, the division had previously eliminated and surplused all seven remaining vehicles owned by the department.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$53,252	\$0
FY 2013	\$48,259	\$0

PL- 804 - Increase in Spending Authority - Hail & Livestock -

The budget includes a request for \$101,511 in state special revenue authority for the 2013 biennium to pay for personal services required to administer the Hail Insurance and Livestock programs. This request includes 1.00 FTE.

-----New Proposals-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	(\$47,750)	(\$47,750)
FY 2013	(\$47,750)	(\$47,750)

NP- 802 - Sustainable Reductions from 17-7-140, MCA -

This decision package reduces the operating expense budget by \$95,500 in general fund in the 2013 biennium as a result of the efficiency reductions made in the 17-7-140, MCA, budget reduction.

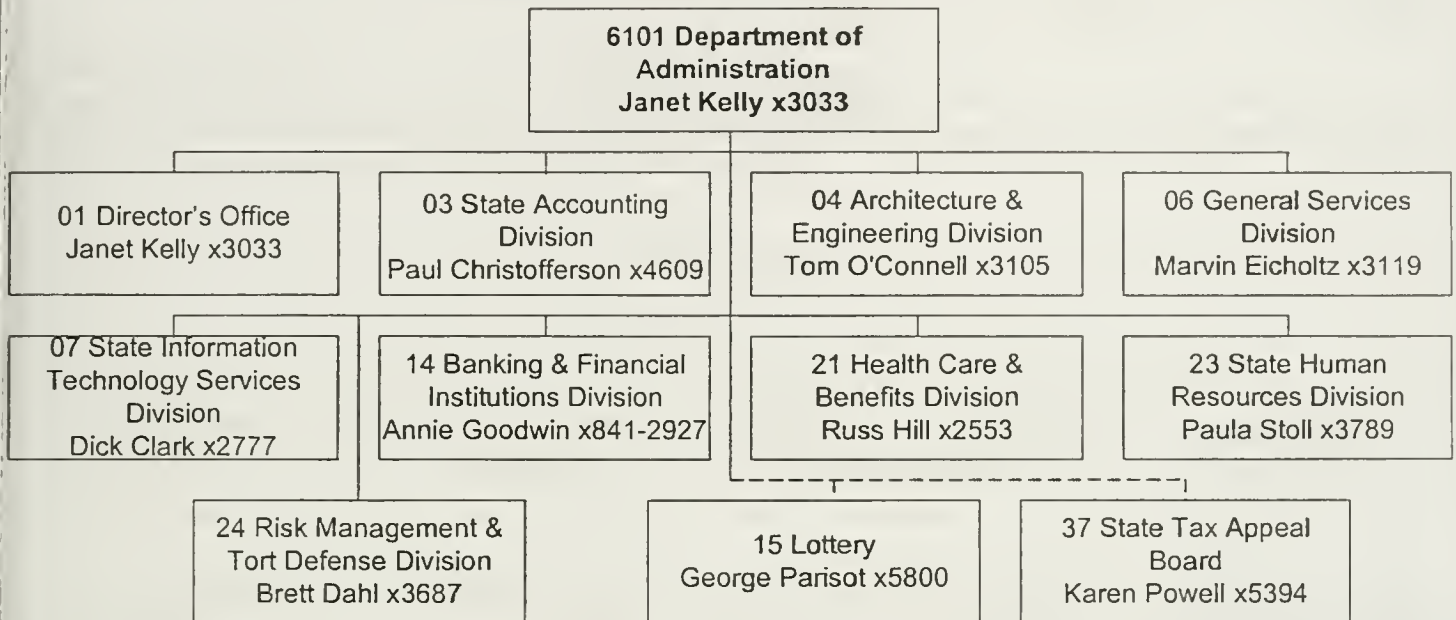
	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$48,477	\$48,477
FY 2013	\$48,366	\$48,366

NP- 805 - Modified FTE into Permanent - Co. Assessor -

The Department of Revenue, Property Assessment Division (PAD) requests \$96,843 in general fund and 1.00 FTE in the 2013 biennium to address the retirement of the County Assessor in Granite County. Under an agreement with Granite County, the department contracted for the services of the County Assessor. Upon this assessor's retirement, the county has decided not to retain a separate office of county assessor so the responsibility for performing these duties has reverted to the State of Montana.

DEPARTMENT OF ADMINISTRATION-6101

Please note that this agency also contains proprietary funding (see Section P).



Mission Statement - The Department of Administration's mission is to serve, satisfy, and support our customers.

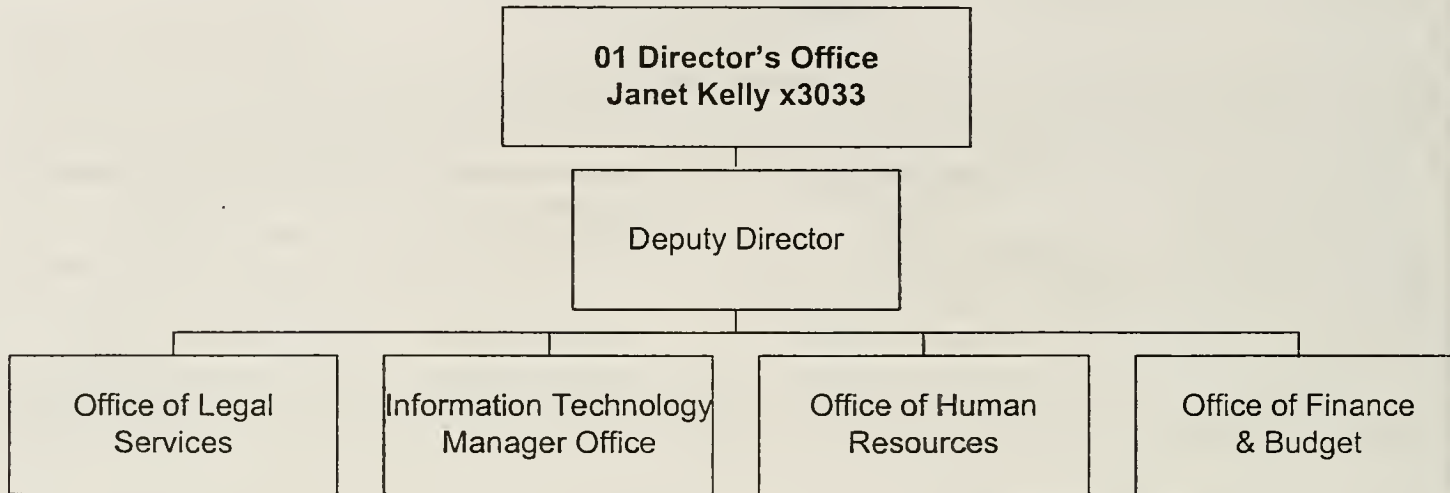
Statutory Authority - Title 2, Chapters 7, 15, 17 and 18; Title 15, Chapter 2; Title 17; Title 18; Title 23, Chapter 7, Title 47, Chapter 1 MCA.

Agency Proposed Budget							
Budget Item	Base Budget Fiscal 2010	PL Base Adjustment Fiscal 2012	New Proposals Fiscal 2012	Total Exec. Budget Fiscal 2012	PL Base Adjustment Fiscal 2013	New Proposals Fiscal 2013	Total Exec. Budget Fiscal 2013
FTE	155.12	0.00	(1.49)	153.63	0.00	(1.49)	153.63
Personal Services	9,395,163	974,421	(81,725)	10,287,859	1,019,961	(85,856)	10,329,268
Operating Expenses	9,553,673	363,707	(131,356)	9,786,024	166,140	(132,356)	9,587,457
Equipment & Intangible Assets	42,077	0	0	42,077	0	0	42,077
Local Assistance	39,206	0	4,000	43,206	0	3,000	42,206
Grants	838,563	0	0	838,563	0	0	838,563
Debt Service	32,050	0	144,225	176,275	0	(32,050)	0
Total Costs	\$19,900,732	\$1,338,128	(\$64,856)	\$21,174,004	\$1,186,101	(\$247,262)	\$20,839,571
General Fund	6,054,826	499,546	(128,217)	6,426,155	454,147	(310,464)	6,198,509
State/Other Special	6,508,794	545,814	63,361	7,117,969	539,973	63,202	7,111,969
Federal Special	42,043	0	0	42,043	0	0	42,043
Proprietary	7,295,069	292,768	0	7,587,837	191,981	0	7,487,050
Total Funds	\$19,900,732	\$1,338,128	(\$64,856)	\$21,174,004	\$1,186,101	(\$247,262)	\$20,839,571

DEPARTMENT OF ADMINISTRATION-6101

DIRECTOR'S OFFICE-01

Please note that this program also contains proprietary funding (see Section P).



Program Description - The Director's Office (office) provides overall leadership and management support to the Department of Administration's divisions and offers administrative support to attached boards and commissions. The office acts as a liaison among the agency's divisions, administratively attached boards and commissions, the Cabinet, the legislature, and the Governor's Office.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2010	PL Base Adjustment Fiscal 2012	New Proposals Fiscal 2012	Total Exec. Budget Fiscal 2012	PL Base Adjustment Fiscal 2013	New Proposals Fiscal 2013	Total Exec. Budget Fiscal 2013
FTE	1.17	0.00	0.00	1.17	0.00	0.00	1.17
Personal Services	56,835	5,323	0	62,158	6,017	0	62,852
Operating Expenses	65,611	23,951	0	89,562	(43,401)	0	22,210
Local Assistance	37,133	0	0	37,133	0	0	37,133
Total Costs	\$159,579	\$29,274	\$0	\$188,853	(\$37,384)	\$0	\$122,195
General Fund	121,869	29,274	0	151,143	(37,384)	0	84,485
State/Other Special	577	0	0	577	0	0	577
Federal Special	37,133	0	0	37,133	0	0	37,133
Total Funds	\$159,579	\$29,274	\$0	\$188,853	(\$37,384)	\$0	\$122,195

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$0	\$0
FY 2013	\$1,500	\$1,500

PL- 101 - Presidential Electors -

This decision package requests \$1,500 general fund OTO in FY 2013 for compensation of presidential electors. The department must pay presidential electors and reimburse their travel costs as required by 13-25-106, MCA, in the year in which a president of the United States is to be elected.

**DEPARTMENT OF ADMINISTRATION-6101
DIRECTOR'S OFFICE-01**

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$12,000	\$12,000
FY 2013	\$12,000	\$12,000

PL- 1003 - Burial Board -

The department requests \$12,000 per year general fund for costs associated with the Burial Preservation Board. This would fund two face-to-face meetings per year and two conference call meetings, along with travel reimbursement for member travel associated with reburial/repatriation of human remains.

DEPARTMENT OF ADMINISTRATION-6101 GOVERNOR ELECT PROGRAM-02

02 Governor Elect Program

Program Description - The Governor Elect Program pays start-up costs for the incoming Governor, as required by 2-15-221, MCA.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2010	PL Base Adjustment Fiscal 2012	New Proposals Fiscal 2012	Total Exec. Budget Fiscal 2012	PL Base Adjustment Fiscal 2013	New Proposals Fiscal 2013	Total Exec. Budget Fiscal 2013
FTE	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Personal Services	0	0	0	0	44,000	0	44,000
Operating Expenses	0	0	0	0	6,000	0	6,000
Total Costs	\$0	\$0	\$0	\$0	\$50,000	\$0	\$50,000
General Fund	0	0	0	0	50,000	0	50,000
Total Funds	\$0	\$0	\$0	\$0	\$50,000	\$0	\$50,000

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$0	\$0
FY 2013	\$50,000	\$50,000

PL- 201 - Governor Elect -

This request of \$50,000 general fund authority in FY 2013 is for the Governor-Elect. Department of Administration is required by 2-15-221, MCA, to request the funds necessary to cover the Governor-Elect costs for the period between the general election and the inauguration.

DEPARTMENT OF ADMINISTRATION-6101

STATE ACCOUNTING DIVISION-03

Please note that this program also contains proprietary funding (see Section P).

03 State Accounting Division
Paul Christofferson x4609

State Accounting
Bureau

Local Government
Services Bureau

Treasury Unit

SABHRS Finance &
Budget Bureau

Program Description - The State Accounting Division consists of several programs/activities funded from the general, federal special and proprietary funds.

The State Accounting Bureau is the process owner of the financial portion of the Statewide Budgeting, Accounting and Human Resource Systems (SABHRS), establishes state accounting policies and procedures, administers the federal Cash Management Improvement Act, prepares and negotiates the Statewide Cost Allocation Plan (SWCAP), and prepares the state Comprehensive Annual Financial Report (CAFR). Additionally, the bureau provides accounting assistance and training to state agencies. The warrant writer activity (internal service funded) which is part of the Accounting Bureau, is discussed in the proprietary fund section.

The Local Government Services Bureau provides technical assistance and training to local government accounting and financial personnel. The bureau maintains and publishes the local government Budgetary, Accounting and Reporting System (BARS) chart of accounts and the county collection and accounting manuals. The bureau provides local government financial information to the public, legislature, federal government, and other public entities. The audit function (Enterprise funded) is discussed in the proprietary fund section.

The Treasury Unit provides the central banking function for state agencies, reconciles the state bank accounts (approximately 60 banks), and insures the collateralization of these bank accounts is maintained at the proper level.

Program Proposed Budget

Budget Item	Base Budget Fiscal 2010	PL Base Adjustment Fiscal 2012	New Proposals Fiscal 2012	Total Exec. Budget Fiscal 2012	PL Base Adjustment Fiscal 2013	New Proposals Fiscal 2013	Total Exec. Budget Fiscal 2013
FTE	18.67	0.00	(1.00)	17.67	0.00	(1.00)	17.67
Personal Services	1,043,760	77,724	(76,661)	1,044,823	78,586	(76,462)	1,045,884
Operating Expenses	267,682	7,580	0	275,262	5,890	0	273,572
Total Costs	\$1,311,442	\$85,304	(\$76,661)	\$1,320,085	\$84,476	(\$76,462)	\$1,319,456
General Fund	1,257,772	85,304	(76,661)	1,266,415	84,476	(76,462)	1,265,786
Federal Special	4,910	0	0	4,910	0	0	4,910
Proprietary	48,760	0	0	48,760	0	0	48,760
Total Funds	\$1,311,442	\$85,304	(\$76,661)	\$1,320,085	\$84,476	(\$76,462)	\$1,319,456

**DEPARTMENT OF ADMINISTRATION-6101
STATE ACCOUNTING DIVISION-03**

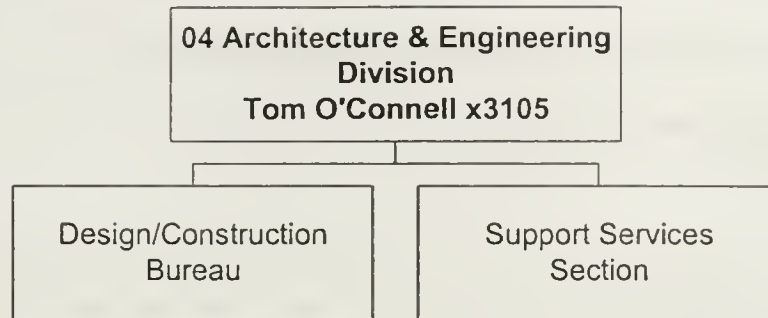
-----New Proposals-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	(\$76,661)	(\$76,661)
FY 2013	(\$76,462)	(\$76,462)

NP- 55400 - 4% Personal Services Reduction -

The Governor has included a 4% reduction in general fund personal services budgets as a part of his budget recommendations. This decision package reduces general fund in the State Accounting Program by \$76,661 in FY 2012 and \$76,462 in FY 2013 to implement the budget reduction. The reduction of 1.00 HB 2 FTE reflects a funding switch of the Local Government Services Bureau Chief position from the general fund to the Local Government Services enterprise fund.

**DEPARTMENT OF ADMINISTRATION-6101
ARCHITECTURE & ENGINEERING PROGRAM-04**



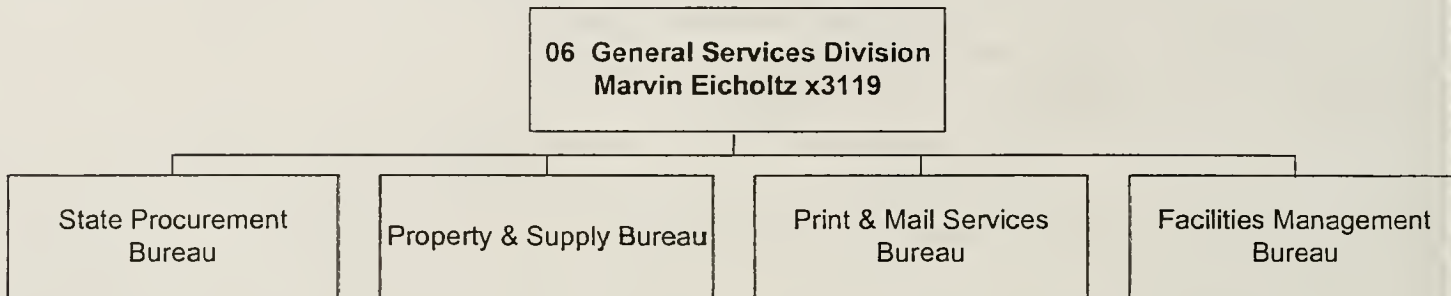
Program Description - The Architecture and Engineering Division (A&E) manages remodeling and construction of state buildings. Its functions include planning new projects and remodeling projects; advertising, bidding, and awarding construction contracts; administering contracts with architects, engineers, and contractors; disbursing building construction payments; and providing design services for small projects. The division also formulates a long-range building plan for legislative consideration each session. This division operates under the authority found in Titles 17 and 18, MCA, as well as other state mandates.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2010	PL Base Adjustment Fiscal 2012	New Proposals Fiscal 2012	Total Exec. Budget Fiscal 2012	PL Base Adjustment Fiscal 2013	New Proposals Fiscal 2013	Total Exec. Budget Fiscal 2013
FTE	17.00	0.00	0.00	17.00	0.00	0.00	17.00
Personal Services	1,283,732	19,043	0	1,302,775	21,303	0	1,305,035
Operating Expenses	659,066	5,951	0	665,017	5,738	0	664,804
Total Costs	\$1,942,798	\$24,994	\$0	\$1,967,792	\$27,041	\$0	\$1,969,839
State/Other Special	1,942,798	24,994	0	1,967,792	27,041	0	1,969,839
Total Funds	\$1,942,798	\$24,994	\$0	\$1,967,792	\$27,041	\$0	\$1,969,839

DEPARTMENT OF ADMINISTRATION-6101

GENERAL SERVICES PROGRAM-06

Please note that this program also contains proprietary funding (see Section P).



Program Description - The General Services Division is composed of four bureaus responsible for providing certain internal services to government agencies and the public.

The Facilities Management Bureau manages the following services for state agencies in the capitol complex and several state-owned buildings in the Helena area either directly or through the administration of service contracts: repair, maintenance, construction, energy consumption, disaster response and recovery, space allocation, lease negotiation, security, janitorial, recycling, pest control, grounds maintenance, and garbage collection.

The State Procurement Bureau procures or supervises the procurement of all supplies and services, and provides technical assistance to government agencies and the public to ensure compliance with the Montana Procurement Act. The bureau also manages the state's energy procurement, vehicle fueling, and procurement card programs.

The Print and Mail Services Bureau provides print and mail services to state agencies. Services include internal and external (contracted) printing, photocopy pool services, mail preparation, central mail operations, and inter-agency (deadhead) mail. The bureau also operates the United States post office in the Capitol and provides three quick copy locations on the Capitol Complex.

The Property and Supply Bureau manages the central stores program and the state and federal surplus property programs.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2010	PL Base Adjustment Fiscal 2012	New Proposals Fiscal 2012	Total Exec. Budget Fiscal 2012	PL Base Adjustment Fiscal 2013	New Proposals Fiscal 2013	Total Exec. Budget Fiscal 2013
FTE	11.25	0.00	0.00	11.25	0.00	0.00	11.25
Personal Services	637,187	32,389	0	669,576	31,498	0	668,685
Operating Expenses	1,461,448	54,522	(137,356)	1,378,614	28,094	(137,356)	1,352,186
Debt Service	32,050	0	144,225	176,275	0	(32,050)	0
Total Costs	\$2,130,685	\$86,911	\$6,869	\$2,224,465	\$59,592	(\$169,406)	\$2,020,871
General Fund	2,084,174	80,229	6,869	2,171,272	53,070	(169,406)	1,967,838
State/Other Special	46,511	6,682	0	53,193	6,522	0	53,033
Total Funds	\$2,130,685	\$86,911	\$6,869	\$2,224,465	\$59,592	(\$169,406)	\$2,020,871

**DEPARTMENT OF ADMINISTRATION-6101
GENERAL SERVICES PROGRAM-06**

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$39,230	\$39,230
FY 2013	\$14,280	\$14,280

PL- 6010 - Close and Sell Old Corrections Building - OTO -

It is estimated to cost \$53,510 to close, maintain, and prepare to sell the old Department of Corrections building located at 1539 11th Avenue in Helena. The components of this cost are \$3,600 to board up the building, \$10,680 to maintain the building in a dormant state, \$3,600 for mechanical services, and \$21,350 for sale preparation including an appraisal and environmental assessment.

-----New Proposals-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$144,225	\$144,225
FY 2013	(\$32,050)	(\$32,050)

NP- 601 - Purchase of 1227 11th Ave - OPI Building OTO -

The executive funds the final payments on the purchase of the OPI building located at 1227 11th Avenue.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	(\$137,356)	(\$137,356)
FY 2013	(\$137,356)	(\$137,356)

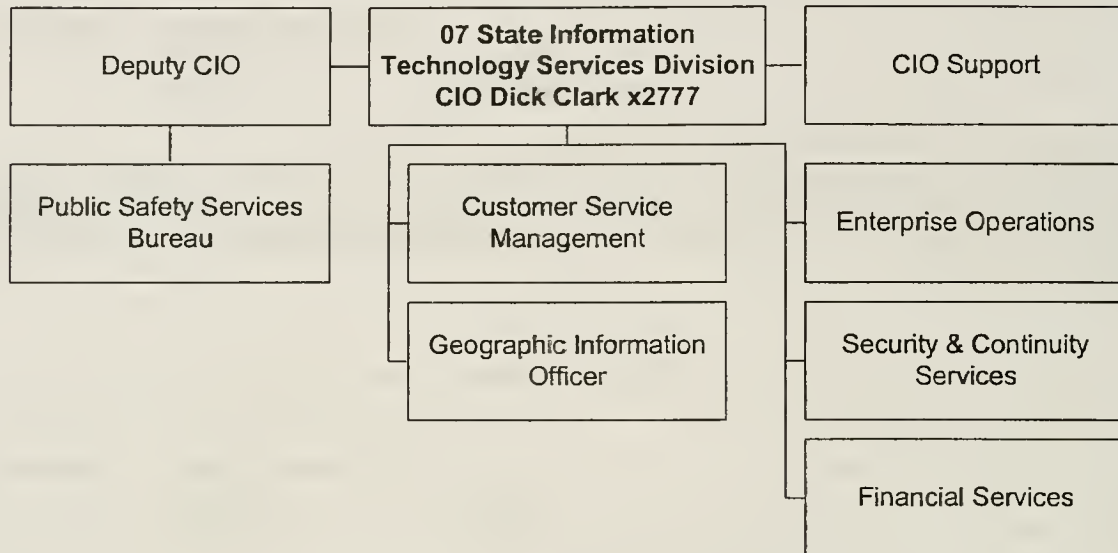
NP- 603 - Make FY 2011 17-7-140, MCA, Reductions Permanent -

This request makes the FY 2011 general fund maintenance reductions that were made as part of the Governor's general fund reduction according to 17-7-140, MCA, permanent into the 2013 biennium.

DEPARTMENT OF ADMINISTRATION-6101

STATE INFORMATION TECHNOLOGY DIVISION-07

Please note that this program also contains proprietary funding (see Section P).



Program Description - The State Information Technology Services Division (SITSD) is a proprietary program that manages central computing and telecommunications services for state government. SITSD provides central mainframe and mid-tier computer services, and manages the statewide data network, SummitNet, used by all agencies located throughout the state. SITSD provides local and long distance telephone network services used by all agencies, including the university system, and manages the state's video network. SITSD coordinates electronic government services for the state, and manages the states Internet presence, mt.gov. SITSD also manages the Security and Continuity and IT Project Management Enterprise Offices.

The division coordinates Geographic Information Systems (GIS) development and manages the Public Safety Services Office that includes the state's 911 and public safety radio programs. These programs are funded by state special, federal special, and general funds.

Through the office of the Chief Information Officer, the division develops the Statewide Strategic IT Plan, coordinates information technology (IT) for the state, and reviews and approves IT acquisitions. The division also provides statewide IT training, and establishes hardware, software, and consulting services contracts used by agencies.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2010	PL Base Adjustment Fiscal 2012	New Proposals Fiscal 2012	Total Exec. Budget Fiscal 2012	PL Base Adjustment Fiscal 2013	New Proposals Fiscal 2013	Total Exec. Budget Fiscal 2013
FTE	9.50	0.00	0.00	9.50	0.00	0.00	9.50
Personal Services	775,175	(23,625)	0	751,550	(23,286)	0	751,889
Operating Expenses	273,735	79,680	0	353,415	81,822	0	355,557
Equipment & Intangible Assets	0	0	0	0	0	0	0
Grants	838,563	0	0	838,563	0	0	838,563
Transfers	0	0	0	0	0	0	0
Total Costs	\$1,887,473	\$56,055	\$0	\$1,943,528	\$58,536	\$0	\$1,946,009
General Fund	508,363	(25,389)	(63,361)	419,613	(22,730)	(63,202)	422,431
State/Other Special	1,379,110	81,444	63,361	1,523,915	81,266	63,202	1,523,578
Federal Special	0	0	0	0	0	0	0
Total Funds	\$1,887,473	\$56,055	\$0	\$1,943,528	\$58,536	\$0	\$1,946,009

DEPARTMENT OF ADMINISTRATION-6101
STATE INFORMATION TECHNOLOGY DIVISION-07

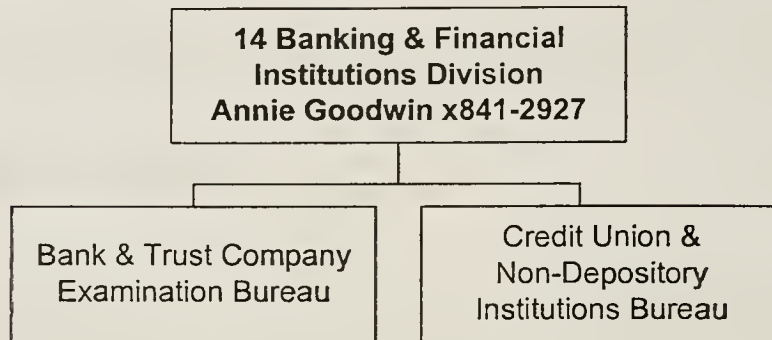
-----New Proposals-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$0	(\$63,361)
FY 2013	\$0	(\$63,202)

NP- 55400 - 4% Person Services Reduction -

The Governor has included a 4% reduction in general fund personal services budgets as a part of his budget recommendations. A 0.50 FTE funding switch of the bureau chief position from the Information Technology Services Division (ITSD) - Public Safety Services Bureau general fund to the ITSD Statewide 9-1-1 state special revenue fund will occur. This decision package reduces general fund by \$63,361 in FY 2012 and \$63,202 in FY 2013.

**DEPARTMENT OF ADMINISTRATION-6101
BANKING & FINANCIAL DIVISION-14**

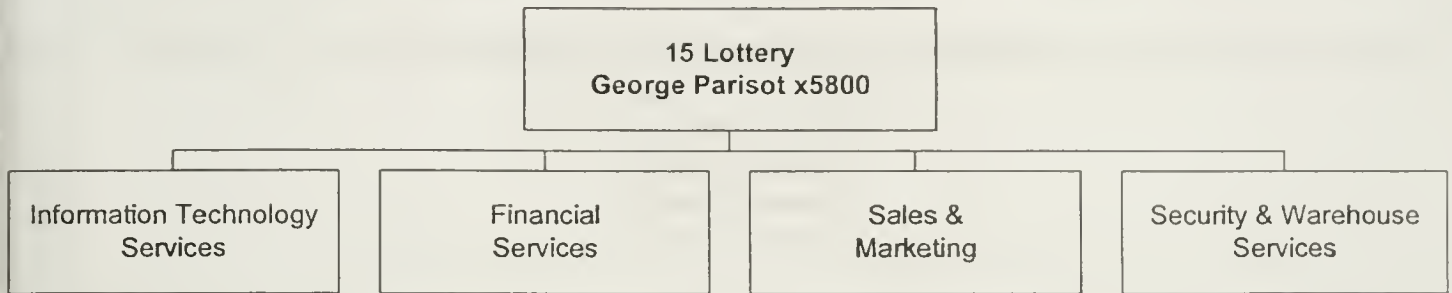


Program Description - The Division of Banking and Financial Institutions licenses, supervises, regulates, and examines financial institutions operating in and outside of Montana. Those institutions include 65 banks and trust companies, including 249 branch banks; 9 credit unions; 96 consumer finance companies; 121 sales finance companies; 95 deferred deposit lenders; 36 title loan companies; and 7 escrow companies. The division also licenses and examines 141 mortgage brokers and broker branch offices, 227 mortgage lender and lender branch offices, and 812 mortgage loan originators. All program functions are statutorily mandated in Title 32, Chapters 1-11 and Title 31, Chapter 1, Parts 7 & 8, MCA.

Supervision of regulated financial institutions is accomplished primarily through examinations. The safety and soundness of Montana State chartered banks and credit unions, which hold over \$19 billion in assets as of January, 2010, is under the supervision of the division. Banks are statutorily required to be examined at least once every 24 months. Credit unions are examined at least once in every 18-month interval. Consumer loan, mortgage broker, deferred deposit loan and title loan companies may be examined at any time. Escrow companies and sales finance companies may be examined as necessary.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2010	PL Base Adjustment Fiscal 2012	New Proposals Fiscal 2012	Total Exec. Budget Fiscal 2012	PL Base Adjustment Fiscal 2013	New Proposals Fiscal 2013	Total Exec. Budget Fiscal 2013
FTE	39.00	0.00	0.00	39.00	0.00	0.00	39.00
Personal Services	2,310,011	505,261	0	2,815,272	503,250	0	2,813,261
Operating Expenses	788,473	(31,253)	0	757,220	(36,792)	0	751,681
Total Costs	\$3,098,484	\$474,008	\$0	\$3,572,492	\$466,458	\$0	\$3,564,942
State/Other Special	3,098,484	474,008	0	3,572,492	466,458	0	3,564,942
Total Funds	\$3,098,484	\$474,008	\$0	\$3,572,492	\$466,458	\$0	\$3,564,942

**DEPARTMENT OF ADMINISTRATION-6101
MONTANA STATE LOTTERY-15**



Program Description - The Montana Lottery designs and markets lottery games that allow players to purchase chances to win prizes. The Lottery offers a variety of instant/scratch and lotto-style games, some in cooperation with other lotteries through the Multi-State Lottery Association. A five-member Lottery Commission, appointed by the Governor, sets policy and oversees program activities and procedures. The net revenue, after prizes, sales commissions and operating expenses, is deposited in the state general fund on a quarterly basis.

The Montana Lottery is attached to the Department of Administration for administrative purposes only.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2010	PL Base Adjustment Fiscal 2012	New Proposals Fiscal 2012	Total Exec. Budget Fiscal 2012	PL Base Adjustment Fiscal 2013	New Proposals Fiscal 2013	Total Exec. Budget Fiscal 2013
FTE	31.50	0.00	0.00	31.50	0.00	0.00	31.50
Personal Services -	1,753,693	46,408	0	1,800,101	47,212	0	1,800,905
Operating Expenses	5,450,539	246,360	0	5,696,899	144,769	0	5,595,308
Equipment & Intangible Assets	42,077	0	0	42,077	0	0	42,077
Total Costs	\$7,246,309	\$292,768	\$0	\$7,539,077	\$191,981	\$0	\$7,438,290
Proprietary	7,246,309	292,768	0	7,539,077	191,981	0	7,438,290
Total Funds	\$7,246,309	\$292,768	\$0	\$7,539,077	\$191,981	\$0	\$7,438,290

-----Present Law Adjustments-----

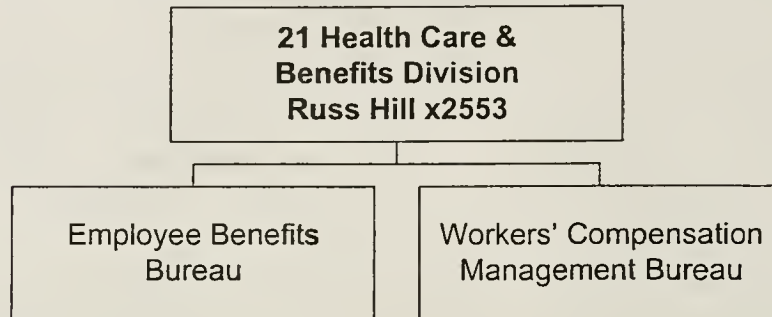
	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$225,000	\$0
FY 2013	\$225,000	\$0

PL- 7701 - Vendor Fee Increase -

The Lottery is requesting a decision package of \$225,000 for both FY 2012 and FY 2013. This request is for the increase in additional vendor fees the Lottery has had to pay due to the increase in sales, as they are directly related. In the past two to three years, the Lottery's sales have increased from prior years by \$3-4 million. This equates to an increase in approximately \$225,000 in vendor fees.

DEPARTMENT OF ADMINISTRATION-6101 HEALTH CARE & BENEFITS DIVISION-21

Please note that this program also contains proprietary funding (see Section P).



Program Description - The Health Care and Benefits Division provides state employees, retirees, members of the Legislature, judges and judicial branch employees, and their dependents with group benefits in an efficient manner and at an affordable cost by administering a solvent, prudent benefits program. The division administers benefits plans including health, dental, prescription drug, life, long-term care, vision coverage, long-term disability, flexible spending accounts, a sick leave fund, employee assistance services, health promotion, and a voluntary employee benefit health care expense trust. The division administers a lease and contract to provide daycare services for Helena area state employees. Finally, the division is responsible for the centralized oversight and management of workers' compensation related matters impacting the state as an employer. These functions, except the state daycare, are discussed in the proprietary section.

Employee benefits are governed by 2-18-701 et seq., 2-18-801 et seq., 2-18-1101 et seq., 2-18-1301 et seq., and 33-2-712, MCA. The Montana Safety Culture Act as it applies to state government is found in 39-71-1501 et seq.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2010	PL Base Adjustment Fiscal 2012	New Proposals Fiscal 2012	Total Exec. Budget Fiscal 2012	PL Base Adjustment Fiscal 2013	New Proposals Fiscal 2013	Total Exec. Budget Fiscal 2013
FTE	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Operating Expenses	41,314	(41,314)	0	0	(41,314)	0	0
Total Costs	\$41,314	(\$41,314)	\$0	\$0	(\$41,314)	\$0	\$0
State/Other Special	41,314	(41,314)	0	0	(41,314)	0	0
Total Funds	\$41,314	(\$41,314)	\$0	\$0	(\$41,314)	\$0	\$0

-----Present Law Adjustments-----

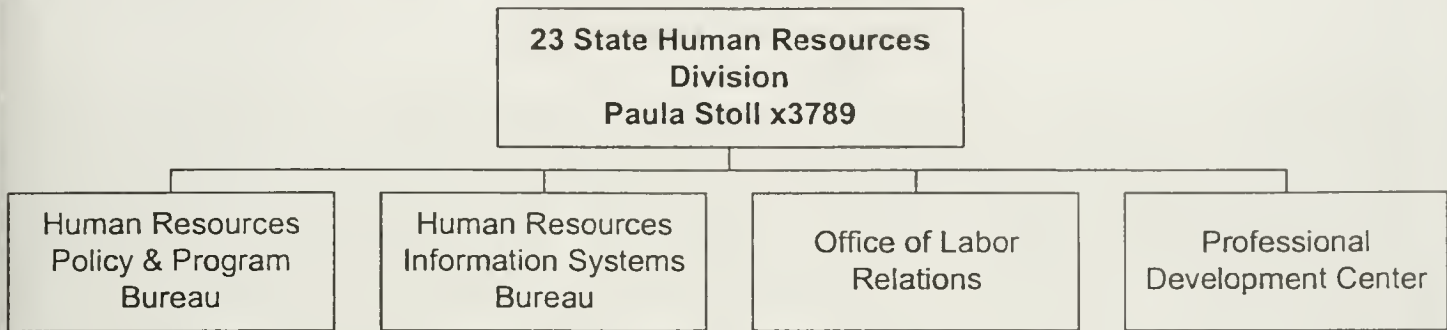
	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	(\$41,314)	\$0
FY 2013	(\$41,314)	\$0

PL- 213 - Elimination of the Daycare Program -

Elimination of the Daycare Program will result in an \$82,628 reduction of state special revenue authority for the biennium. The Daycare Program provided funding towards the rent payments to the school district for space within the Ray Bjork building. In return, the daycare provider guaranteed a certain number of slots to state employee children and grandchildren. The state was not able to renew the contract with the school district as this space was needed by the district. The state was not able to find an alternative space to continue the program. The decision package zeros out the spending authority left over from the daycare.

DEPARTMENT OF ADMINISTRATION-6101 STATE HUMAN RESOURCES DIVISION-23

Please note that this program also contains proprietary funding (see Section P).



Program Description - The State Human Resources Division provides statewide human resource services and programs under the authority of Title 2, Chapter 18, and 39-31-301, MCA. The division houses:

The Human Resources Policy and Programs (HRPP) Bureau establishes the human resource rules, policies, and standards for Montana's executive branch.

The State Office of Labor Relations represents the Governor's Office in all matters relating to collective bargaining.

The Professional Development Center (PDC) offers training and other professional development services to Montana state government and other organizations.

The Human Resources Information Services Bureau supplies payroll and other HR information systems for all branches of state government.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2010	PL Base Adjustment Fiscal 2012	New Proposals Fiscal 2012	Total Exec. Budget Fiscal 2012	PL Base Adjustment Fiscal 2013	New Proposals Fiscal 2013	Total Exec. Budget Fiscal 2013
FTE	19.53	0.00	(0.49)	19.04	0.00	(0.49)	19.04
Personal Services	1,142,900	251,801	(19,064)	1,375,637	251,680	(19,394)	1,375,186
Operating Expenses	445,307	27,113	0	472,420	24,904	0	470,211
Total Costs	\$1,588,207	\$278,914	(\$19,064)	\$1,848,057	\$276,584	(\$19,394)	\$1,845,397
General Fund	1,588,207	278,914	(19,064)	1,848,057	276,584	(19,394)	1,845,397
Total Funds	\$1,588,207	\$278,914	(\$19,064)	\$1,848,057	\$276,584	(\$19,394)	\$1,845,397

-----New Proposals-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	(\$19,064)	(\$19,064)
FY 2013	(\$19,394)	(\$19,394)

NP- 55400 - 4% Personal Services reduction -

The Governor has included a 4% reduction in general fund personal services budgets as a part of his budget recommendations. The State Human Resources Division (SHRD) is complying with a four percent reduction in general fund personal services budget in accordance to this budget directive. This reduction is approximately \$19,100 annually and will result in the loss of 0.49 FTE.

DEPARTMENT OF ADMINISTRATION-6101

STATE TAX APPEAL BOARD-37

37 State Tax Appeal Board
 Chairwoman Karen Powell x5394

Program Description - The State Tax Appeal Board, established by Article VIII, Section 7, of the Montana Constitution and 15-2-101, MCA, provides a tax appeal system for all actions of the Department of Revenue. It hears appeals from decisions of the 56 county tax appeal boards, primarily involving residential and commercial property valuation, and takes original jurisdiction in matters involving income taxes, corporate taxes, severance taxes, centrally-assessed property and new industry property, motor fuels taxes, vehicle taxes, and cabin site leases. The board travels throughout the state to hear appeals from decisions of the county tax appeal boards and to conduct informational meetings for the various county tax appeal boards. The State Tax Appeal Board directs the county tax appeal board secretaries, who are state employees, and pays their salaries and employee benefits from its personal services appropriation. The board also reviews and pays the expenses, including employee benefits, of those county tax appeal board secretaries who are county employees. In addition, the board pays the clerical-related expenses for all 56 county tax appeal boards, including supplies, postage and copies, but excluding office equipment.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2010	PL Base Adjustment Fiscal 2012	New Proposals Fiscal 2012	Total Exec. Budget Fiscal 2012	PL Base Adjustment Fiscal 2013	New Proposals Fiscal 2013	Total Exec. Budget Fiscal 2013
FTE	7.50	0.00	0.00	7.50	0.00	0.00	7.50
Personal Services	391,870	60,097	14,000	465,967	59,701	10,000	461,571
Operating Expenses	100,498	(8,883)	6,000	97,615	(9,570)	5,000	95,928
Local Assistance	2,073	0	4,000	6,073	0	3,000	5,073
Total Costs	\$494,441	\$51,214	\$24,000	\$569,655	\$50,131	\$18,000	\$562,572
General Fund	494,441	51,214	24,000	569,655	50,131	18,000	562,572
Total Funds	\$494,441	\$51,214	\$24,000	\$569,655	\$50,131	\$18,000	\$562,572

-----New Proposals-----

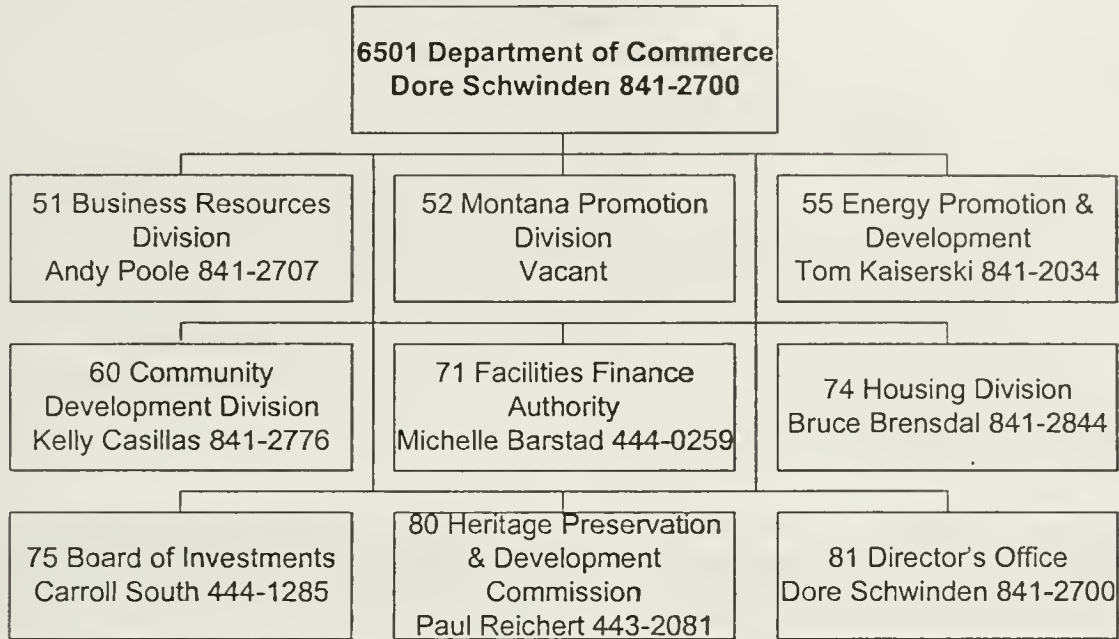
	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$24,000	\$24,000
FY 2013	\$18,000	\$18,000

NP- 3701 - STAB 2009 Statewide Reappraisal of Property OTO -

This request funds a \$42,000 increase in the general fund for an anticipated increase in tax appeals due to the reappraisal of property for both fiscal years 2012 and 2013.

DEPARTMENT OF COMMERCE-6501

Please note that this agency also contains proprietary funding (see Section P).



Mission Statement - The Department of Commerce through its employees, community partners, public outreach, and media contacts enhances economic prosperity in Montana; fosters community lead diversification and sustainability of a growing economy; maintains and improves our infrastructure, housing, and facilities; and promotes and enhances Montana's positive national and international image.

Statutory Authority - The Department is mandated in 2-15-18, MCA.

Agency Proposed Budget							
Budget Item	Base Budget Fiscal 2010	PL Base Adjustment Fiscal 2012	New Proposals Fiscal 2012	Total Exec. Budget Fiscal 2012	PL Base Adjustment Fiscal 2013	New Proposals Fiscal 2013	Total Exec. Budget Fiscal 2013
FTE	50.66	0.00	5.34	56.00	0.00	5.34	56.00
Personal Services	3,014,479	237,775	312,553	3,564,807	237,930	312,855	3,565,264
Operating Expenses	3,310,301	2,555,890	597,535	6,463,726	2,848,537	595,748	6,754,586
Grants	14,505,844	2,474,352	1,402,660	18,382,856	2,847,638	1,402,944	18,756,426
Total Costs	\$20,830,624	\$5,268,017	\$2,312,748	\$28,411,389	\$5,934,105	\$2,311,547	\$29,076,276
General Fund	2,598,996	99,939	2,312,748	5,011,683	101,892	2,311,547	5,012,435
State/Other Special	4,216,567	3,116,464	0	7,333,031	3,084,170	0	7,300,737
Federal Special	14,015,061	2,051,614	0	16,066,675	2,748,043	0	16,763,104
Total Funds	\$20,830,624	\$5,268,017	\$2,312,748	\$28,411,389	\$5,934,105	\$2,311,547	\$29,076,276

**DEPARTMENT OF COMMERCE-6501
BUSINESS RESOURCES DIVISION-51**



Program Description - The Business Resources Division is comprised of a variety of programs aimed at improving, enhancing, and diversifying Montana's economic and business climate. Working closely with the private sector, the Governor's Office, the Legislature, economic and community development partners, other department divisions, state agencies, and federal and private programs; the division strives to enhance the economic base of Montana through business creation, expansion, and retention efforts.

Business Resources Division responsibilities are mandated primarily in Title 15, Chapter 35, Section 108; Title 30, Chapter 16; Title 17, Chapter 6; and Title 90, Chapters 1 and 3, MCA.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2010	PL Base Adjustment Fiscal 2012	New Proposals Fiscal 2012	Total Exec. Budget Fiscal 2012	PL Base Adjustment Fiscal 2013	New Proposals Fiscal 2013	Total Exec. Budget Fiscal 2013
FTE	25.16	0.00	0.34	25.50	0.00	0.34	25.50
Personal Services	1,515,117	177,416	(19,611)	1,672,922	176,776	(19,538)	1,672,355
Operating Expenses	1,808,937	2,247,022	481,964	4,537,923	2,579,087	480,198	4,868,222
Grants	2,448,507	900,000	1,402,660	4,751,167	900,000	1,402,944	4,751,451
Total Costs	\$5,772,561	\$3,324,438	\$1,865,013	\$10,962,012	\$3,655,863	\$1,863,604	\$11,292,028
General Fund	2,068,846	99,866	1,865,013	4,033,725	104,152	1,863,604	4,036,602
State/Other Special	112,474	2,092,374	0	2,204,848	2,091,401	0	2,203,875
Federal Special	3,591,241	1,132,198	0	4,723,439	1,460,310	0	5,051,551
Total Funds	\$5,772,561	\$3,324,438	\$1,865,013	\$10,962,012	\$3,655,863	\$1,863,604	\$11,292,028

**DEPARTMENT OF COMMERCE-6501
BUSINESS RESOURCES DIVISION-51**

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$2,237,513	\$1,114
FY 2013	\$2,577,731	\$2,537

PL- 5108 - BRD ADMINISTRATIVE COSTS ADJUSTMENTS HB 2 -

The request adjusts for normal ongoing federal appropriations for grants that are received by the Business Resources Division. Included in this decision package are plans for offering National Development Council courses in Montana in FY 2012 and FY 2013 for economic developers to become Certified Economic Development Finance Professionals. It has been a number of years since this training was offered in Montana and persons new to this activity require training.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$900,000	\$0
FY 2013	\$900,000	\$0

PL- 5109 - BRD FEDERAL GRANTS ADJUSTMENTS HB 2 -

This decision package adjusts normal ongoing federal appropriations for grants received by the Business Resources Division to match available federal funds for the 2013 biennium.

-----New Proposals-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$1,000,000	\$1,000,000
FY 2013	\$1,000,000	\$1,000,000

NP- 5101 - BRD Primary Business Sector Training HB 2 OTO -

The Primary Sector Business Training Program provides grant funds to new and existing Montana businesses to train new employees. This economic development tool is a catalyst for creating new, good jobs in Montana that pay benefits. A seven member Grant Review Committee consisting of both public and private members review applications and allocate funding through the Department of Commerce. This program has been funded in previous biennia as a one-time-only appropriation and therefore must be requested again.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$800,000	\$800,000
FY 2013	\$800,000	\$800,000

NP- 5102 - BRD Indian Country Economic Development HB 2 OTO -

The Tribal Economic Development Program provides resources to existing and new Tribal businesses to expand operations and facilities, train and employ new workers. The Tribal Economic Development Program assists by helping tribal members in Montana get hired into permanent full-time jobs, start their own businesses, and improve their economic circumstance. Projects funded will allow the Tribal Governments over the long term to provide more employment opportunities and greater wages to their citizens.

**DEPARTMENT OF COMMERCE-6501
BUSINESS RESOURCES DIVISION-51**

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$125,000	\$125,000
FY 2013	\$125,000	\$125,000

NP- 5103 - BRD Main Street Program HB 2 OTO -

Helps communities strengthen and preserve their historic downtowns by focusing on economic development through organization, design, and promotion. The program provides downtown development and historic preservation technical assistance and expertise to communities of all sizes, based on their individual needs, without a requirement for paid staff.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$250,000	\$250,000
FY 2013	\$250,000	\$250,000

NP- 5112 - High Performance Computing - OTO -

This budget requests includes one-time-only funding of \$250,000 general fund each year of the 2013 biennium to provide operational support to high performance computing.

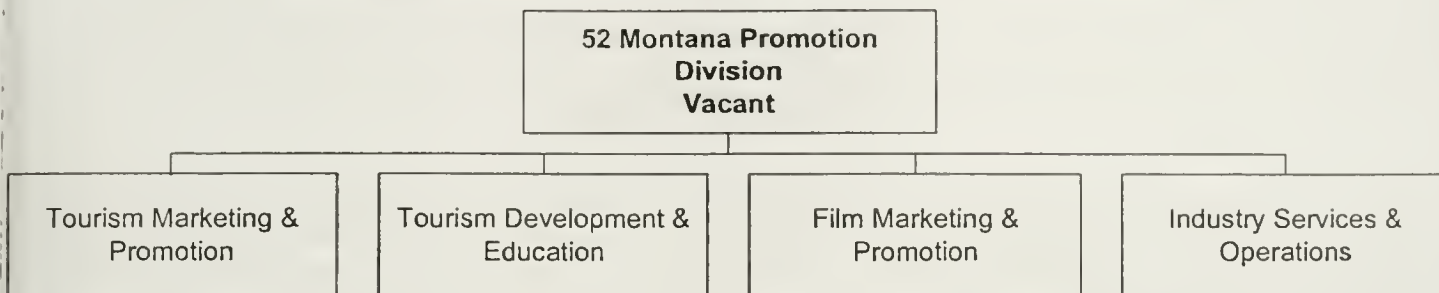
	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	(\$309,987)	(\$309,987)
FY 2013	(\$311,396)	(\$311,396)

NP- 55004 - 4% PERSONAL SERVICES REDUCTION -

The Governor has included a 4% reduction in general fund personal services budgets as a part of his budget recommendations. This decision package reduces the Business Resources Division by \$309,987 in FY 2012 and \$311,396 in FY 2013 to implement the budget reduction. The reduction includes the elimination of 3.66 FTE.

This decision package removes the Regional Development Program. The regional development officer positions have worked within the department since the early 1990's as the outreach arm to the entire state of Montana to deliver our programs and services.

**DEPARTMENT OF COMMERCE-6501
MONTANA PROMOTION DIVISION-52**



Program Description - The Montana Promotion Division strives to strengthen Montana's economy through increased visitor travel, visitor expenditures, and film production in the state. The division is responsible for implementing and promoting a positive brand image for Montana as a vacation destination and works to ensure brand consistency amongst its marketing and promotional efforts. The division focuses on attracting high value, low impact geotraveler visitors who contribute to Montana's economic and social prosperity while respecting and appreciating Montana's authentic natural and cultural assets. This program goal is accomplished through various marketing efforts, networking with the state's public and private sector tourism and recreation industry and agencies, along with education and development assistance. The division works to project a positive image of the state through consumer advertising, electronic marketing, public relations efforts, international and domestic group travel marketing, printing and distribution of literature, staffing support and training of professional travel counselors, assisting in the development of tourism infrastructure and marketing to motion picture and television production companies. The division provides training and assistance to the Montana tourism industry, administers, and distributes event marketing and infrastructure grants and oversees expenditures of six regional non-profit corporations and the twelve qualified convention and visitors bureaus. The Montana Promotion Division is primarily funded by the statutorily appropriated lodging facility use tax. Montana Promotion Division responsibilities are mandated primarily in Title 15, Chapter 65, and Title 2, Chapter 15, MCA.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2010	PL Base Adjustment Fiscal 2012	New Proposals Fiscal 2012	Total Exec. Budget Fiscal 2012	PL Base Adjustment Fiscal 2013	New Proposals Fiscal 2013	Total Exec. Budget Fiscal 2013
FTE	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Operating Expenses	621,696	157,612	0	779,308	128,304	0	750,000
Total Costs	\$621,696	\$157,612	\$0	\$779,308	\$128,304	\$0	\$750,000
State/Other Special	621,696	157,612	0	779,308	128,304	0	750,000
Total Funds	\$621,696	\$157,612	\$0	\$779,308	\$128,304	\$0	\$750,000

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$139,825	\$0
FY 2013	\$139,825	\$0

PL- 5208 - MPD PRIVATE FUNDS & AUDIT ADJUSTMENTS HB 2 -

The Montana Promotion Division has historically adjusted its HB 2 private funds appropriation to \$750,000 for each year of the biennium. This proposal continues the historically established trend.

**DEPARTMENT OF COMMERCE-6501
ENERGY PROMOTION & DEVELOPMENT DIVISION-55**

**55 Energy Promotion &
Development
Tom Kaiserski 841-2034**

Program Description - The Energy Promotion and Development Division (EPDD) was created in 2007 as a result of the state's commitment to 'clean and green' energy development in Montana. EPDD staff conducts the analysis of complex energy issues, balancing the interests of private developers with those of the public sector, and prepares and delivers written and oral communications that seek to resolve conflicts and achieve resolutions to problems that can delay or prevent energy development projects. The goal of this work is to create jobs and increase tax base statewide by facilitating the development of clean and responsible energy projects in Montana.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2010	PL Base Adjustment Fiscal 2012	New Proposals Fiscal 2012	Total Exec. Budget Fiscal 2012	PL Base Adjustment Fiscal 2013	New Proposals Fiscal 2013	Total Exec. Budget Fiscal 2013
FTE	0.00	0.00	5.00	5.00	0.00	5.00	5.00
Personal Services	0	0	332,164	332,164	0	332,393	332,393
Operating Expenses	0	7,265	115,571	122,836	7,057	115,550	122,607
Total Costs	\$0	\$7,265	\$447,735	\$455,000	\$7,057	\$447,943	\$455,000
General Fund	0	7,265	447,735	455,000	7,057	447,943	455,000
Total Funds	\$0	\$7,265	\$447,735	\$455,000	\$7,057	\$447,943	\$455,000

-----New Proposals-----

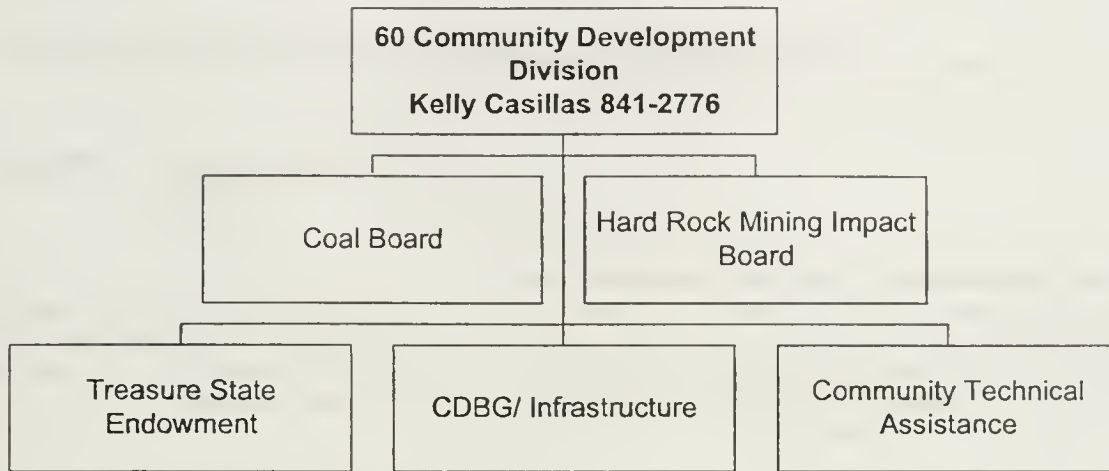
	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$447,735	\$447,735
FY 2013	\$447,943	\$447,943

NP- 55001 - ENERGY PROMOTION AND DEVELOPMENT HB 2 -

The creation of the Energy Promotion and Development Division was funded with a one-time-only general fund appropriation by the 2007 and the 2009 Legislatures. This budget request reauthorizes the appropriation of \$455,000 for the 2013 biennium to continue the operation of the division as a permanent program.

The goals of Energy Promotion and Development Division (EPDD) are creating jobs for Montanans, securing economic future, and providing home-grown energy to growing populations. The \$400 million Glacier wind farm constructed in 2008/2009, the \$800 million Rim Rock wind farm set to be constructed in 2010/2011, and the \$200 million Montana Alberta Tie (transmission) Line currently under construction and set to be completed in 2010/2011 are all projects that EPDD provided project assistance key to the development.

**DEPARTMENT OF COMMERCE-6501
COMMUNITY DEVELOPMENT DIVISION-60**



Program Description - The missions of the Community Development Division (CDD) are set forth in Title 90, Chapters 1 and 6, MCA. CDD is funded primarily through federal funds and state-special revenue account grant programs with additional direct appropriations provided in HB 2.

The CDD administers four programs directly: the Community Development Block Grant Program (CDBG); the Community Technical Assistance Program (CTAP); the Neighborhood Stabilization Program (NSP); and the Treasure State Endowment Program (TSEP).

Two citizen boards, appointed by the Governor, are attached to CDD for administrative purposes. The division provides office facilities, staff, and administrative support for the two boards: the Montana Coal Board and the Montana Hard Rock Mining Impact Board

Overall, the six programs of the CDD seek to assure viable, sustainable communities and the provision of cost-effective and efficient community services and facilities by encouraging well-planned community growth and development

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2010	PL Base Adjustment Fiscal 2012	New Proposals Fiscal 2012	Total Exec. Budget Fiscal 2012	PL Base Adjustment Fiscal 2013	New Proposals Fiscal 2013	Total Exec. Budget Fiscal 2013
FTE	16.00	0.00	0.00	16.00	0.00	0.00	16.00
Personal Services	997,112	49,769	0	1,046,881	51,204	0	1,048,316
Operating Expenses	399,737	116,067	0	515,804	107,946	0	507,683
Grants	6,704,975	1,700,000	0	8,404,975	1,700,000	0	8,404,975
Total Costs	\$8,101,824	\$1,865,836	\$0	\$9,967,660	\$1,859,150	\$0	\$9,960,974
General Fund	530,150	(7,192)	0	522,958	(9,317)	0	520,833
State/Other Special	3,085,910	872,502	0	3,958,412	870,442	0	3,956,352
Federal Special	4,485,764	1,000,526	0	5,486,290	998,025	0	5,483,789
Total Funds	\$8,101,824	\$1,865,836	\$0	\$9,967,660	\$1,859,150	\$0	\$9,960,974

**DEPARTMENT OF COMMERCE-6501
COMMUNITY DEVELOPMENT DIVISION-60**

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$822,228	\$319
FY 2013	\$819,965	(\$689)

PL- 6008 - CDD ADMINISTRATIVE COSTS ADJUSTMENTS HB 2 -

This adjustment includes per diem for the Hard Rock Mining Impact Board and Coal Board and the maintenance of a reserve account that is set forth in statute for the Hard Rock Mining Impact Board. Additional costs of the decision package include a rent adjustment, local impact grants for the Coal Board, and authority to disperse funds to the countries from the hard-rock mining impact trust account, as well as minor hardware equipment.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$1,000,000	\$0
FY 2013	\$1,000,000	\$0

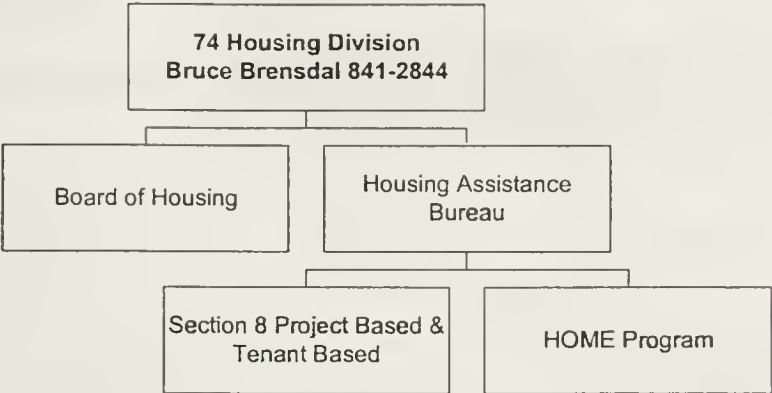
PL- 6009 - CDD FEDERAL GRANTS ADJUSTMENTS HB 2 -

This decision package adjusts normal ongoing federal appropriations for grants received by the Community Development Division to match available federal funds for the 2013 Biennium.

DEPARTMENT OF COMMERCE-6501

HOUSING DIVISION-74

Please note that this program also contains proprietary funding (see Section P).



Program Description - The Housing Division established on July 1, 1995, consolidated housing programs within the Department of Commerce into one division. The division includes the Housing and Urban Development (HUD) HOME Investment Partnerships program, the HUD Tenant Based and Project Based Section 8 Housing programs, and the Board of Housing and its programs.

Housing Division responsibilities are mandated primarily in Title 2, Chapter 15; Title 90, Chapter 1, and Chapter 6, MCA; 24 CFR 91, and 92; 24 CFR 5, 792, 813, 887, 982, and 984; and the Governor's Executive Order 27-81.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2010	PL Base Adjustment Fiscal 2012	New Proposals Fiscal 2012	Total Exec. Budget Fiscal 2012	PL Base Adjustment Fiscal 2013	New Proposals Fiscal 2013	Total Exec. Budget Fiscal 2013
FTE	5.50	0.00	0.00	5.50	0.00	0.00	5.50
Personal Services	278,480	31,267	0	309,747	30,534	0	309,014
Operating Expenses	333,014	13,271	0	346,285	11,536	0	344,550
Grants	4,626,714	0	0	4,626,714	373,286	0	5,000,000
Total Costs	\$5,238,208	\$44,538	\$0	\$5,282,746	\$415,356	\$0	\$5,653,564
State/Other Special	25,800	0	0	25,800	0	0	25,800
Federal Special	5,212,408	44,538	0	5,256,946	415,356	0	5,627,764
Total Funds	\$5,238,208	\$44,538	\$0	\$5,282,746	\$415,356	\$0	\$5,653,564

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$10,612	\$0
FY 2013	\$12,294	\$0

PL- 7406 - HD ADMINISTRATIVE COSTS ADJUSTMENTS HB 2 -

This decision package annualized the cost of charges for annual maintenance fees for HOME programs, lease agreements, and indirect costs to the Director's Office.

**DEPARTMENT OF COMMERCE-6501
HOUSING DIVISION-74**

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$0	\$0
FY 2013	\$373,286	\$0

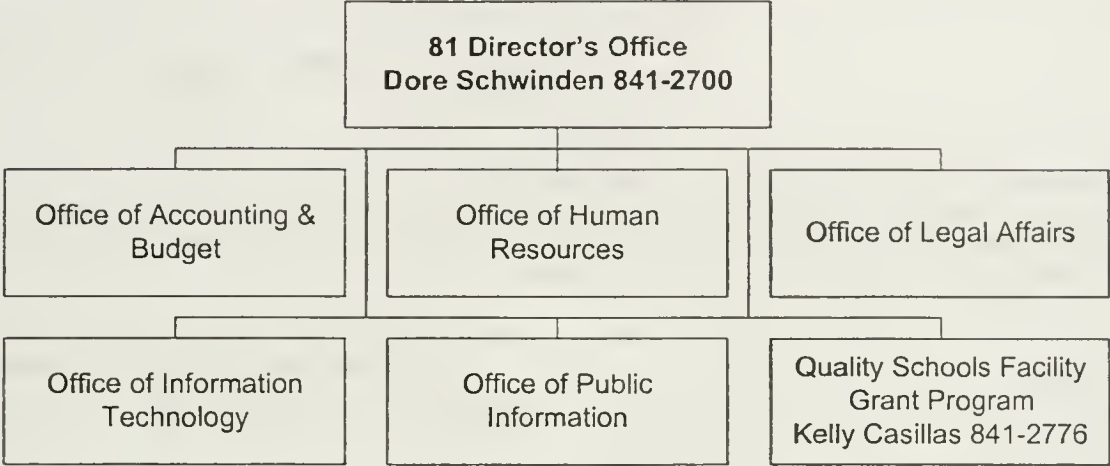
PL- 7407 - HD FEDERAL GRANTS ADJUSTMENTS HB 2 -

This decision package adjusts normal ongoing federal appropriations for grants received by the Housing Assistance Bureau's HOME Program to match available federal funds for the 2013 biennium.

DEPARTMENT OF COMMERCE-6501

DIRECTOR'S OFFICE-81

Please note that this program also contains proprietary funding (see Section P).



Program Description - The Director's Office consists of three programs:

The Director's Office provides overall leadership, communication, and management support to the Department of Commerce staff, programs, bureaus, divisions and administratively attached boards. The office provides executive, administrative, legal, and policy direction along with offering problem-solving guidance. The office keeps abreast of department related issues and acts in a public relations and informational capacity to ensure a positive image of the department. The office works closely with economic and community development organizations, businesses, communities, governmental entities, elected official and the public to diversify and expand the state's economic base. The office acts as the liaison with private business, local governments, administratively attached boards, public and private interest groups, the legislature, Indian tribes, individuals, other governmental agencies, and the Governor's Office.

The Quality Schools Grant Program (Quality Schools) is a competitive grant program created to provide infrastructure grants, matching planning grants, and emergency grants to public school districts in Montana. The statute creating the program was passed by the 61st Legislature and signed into law by Governor Schweitzer in 2009.

The Montana Council on Developmental Disabilities is a citizen based advocacy group. Its members, appointed by the Governor work to provide increased independence, integration, and productivity for persons with developmental disabilities.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2010	PL Base Adjustment Fiscal 2012	New Proposals Fiscal 2012	Total Exec. Budget Fiscal 2012	PL Base Adjustment Fiscal 2013	New Proposals Fiscal 2013	Total Exec. Budget Fiscal 2013
FTE	4.00	0.00	0.00	4.00	0.00	0.00	4.00
Personal Services	223,770	(20,677)	0	203,093	(20,584)	0	203,186
Operating Expenses	146,917	14,653	0	161,570	14,607	0	161,524
Grants	725,648	(125,648)	0	600,000	(125,648)	0	600,000
Total Costs	\$1,096,335	(\$131,672)	\$0	\$964,663	(\$131,625)	\$0	\$964,710
State/Other Special	370,687	(6,024)	0	364,663	(5,977)	0	364,710
Federal Special	725,648	(125,648)	0	600,000	(125,648)	0	600,000
Total Funds	\$1,096,335	(\$131,672)	\$0	\$964,663	(\$131,625)	\$0	\$964,710

**DEPARTMENT OF COMMERCE-6501
DIRECTOR'S OFFICE-81**

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$10,575	\$0
FY 2013	\$11,217	\$0

PL- 8108 - DO QUALITY SCHOOLS ADMINISTRATIVE COSTS HB 2 -

This decision package makes minor adjustments to the Quality School administrative funding to restore overtime; cover additional printing, travel and rent expense, and reduce other one-time cost areas incurred in the base year. The approximate \$11,000 per year is funded with state special revenue.

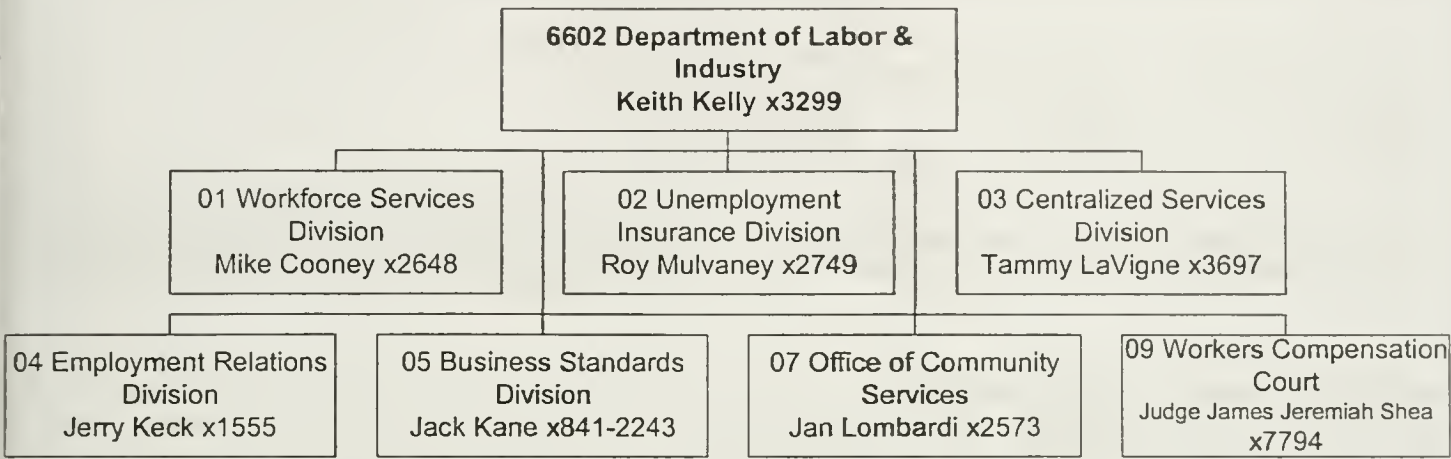
	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	(\$125,648)	\$0
FY 2013	(\$125,648)	\$0

PL- 8109 - DO FEDERAL GRANTS ADJUSTMENTS HB 2 -

This decision package adjusts normal ongoing federal appropriations for grants received by the Director's Office for the Montana Council on Developmental Disabilities to match available federal funds for the 2013 biennium.

DEPARTMENT OF LABOR & INDUSTRY-6602

Please note that this agency also contains proprietary funding (see Section P).



Mission Statement - The purpose of the Department of Labor and Industry is to promote the well-being of Montana's workers, employers, and citizens, and to uphold their rights and responsibilities.

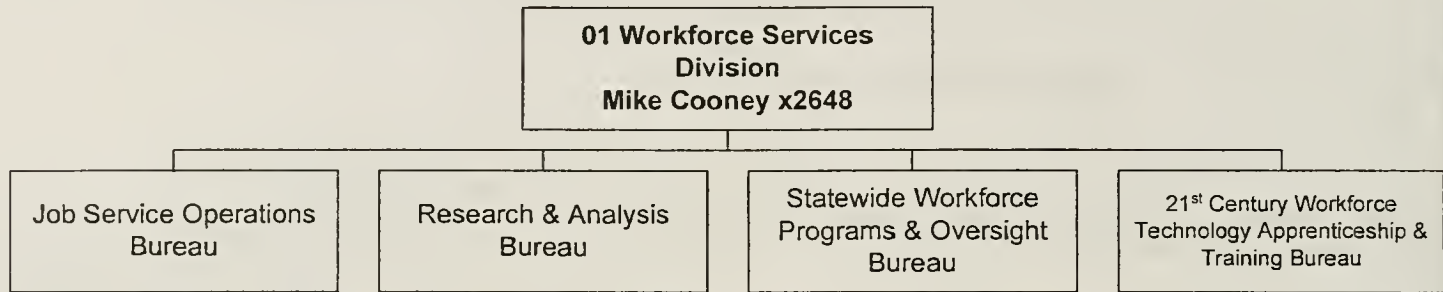
Statutory Authority - Primarily Titles 18, 30, 37, 39, 49, 50, and 90, MCA, and the federal Corporation for National Service.

Agency Proposed Budget							
Budget Item	Base Budget Fiscal 2010	PL Base Adjustment Fiscal 2012	New Proposals Fiscal 2012	Total Exec. Budget Fiscal 2012	PL Base Adjustment Fiscal 2013	New Proposals Fiscal 2013	Total Exec. Budget Fiscal 2013
FTE	755.10	0.00	2.12	757.22	0.00	2.12	757.22
Personal Services	37,392,570	4,856,926	91,959	42,341,455	4,849,055	91,742	42,333,367
Operating Expenses	20,324,240	2,778,396	15,973	23,118,609	2,870,884	15,851	23,210,975
Equipment & Intangible Assets	274,234	0	0	274,234	0	0	274,234
Grants	10,452,612	591,486	735,000	11,779,098	591,486	735,000	11,779,098
Benefits & Claims	103,300	0	0	103,300	0	0	103,300
Transfers	438,265	(186,358)	0	251,907	(186,358)	0	251,907
Debt Service	3,775	0	0	3,775	0	0	3,775
Total Costs	\$68,988,996	\$8,040,450	\$842,932	\$77,872,378	\$8,125,067	\$842,593	\$77,956,656
General Fund	2,308,627	187,036	(78,558)	2,417,105	197,719	(78,358)	2,427,988
State/Other Special	35,856,229	4,478,293	0	40,334,522	4,603,552	0	40,459,781
Federal Special	30,767,415	3,343,436	921,490	35,032,341	3,292,004	920,951	34,980,370
Proprietary	56,725	31,685	0	88,410	31,792	0	88,517
Total Funds	\$68,988,996	\$8,040,450	\$842,932	\$77,872,378	\$8,125,067	\$842,593	\$77,956,656

DEPARTMENT OF LABOR & INDUSTRY-6602

WORK FORCE SERVICES DIVISION-01

Please note that this program also contains proprietary funding (see Section P).



Program Description - The Workforce Services Division (WSD) is a gateway to government services that include retraining and reemployment services for laid-off workers and employment and training services for people transitioning from welfare to work, as well as for youth, veterans, seasonal/migrant farm workers, and general job seekers. WSD operates through four bureaus. The Job Services Operations Bureau coordinates and guides the delivery of workforce development services to communities through a network of 25 Job Service Centers across the state. The 21st Century Workforce Technology, Apprenticeship & Training Bureau administers the Apprenticeship and Training Program, Jobs for Montana Graduates, Incumbent Worker Training Program, and the State Workforce Investment Board (SWIB). The Statewide Workforce Programs and Oversight Bureau performs oversight, regulatory, fiscal, tracking, registration, and support functions statewide for both State and Federal programs such as the State Displaced Homemaker Program, Employee Protection Act, Workforce Investment Act (WIA), Trade Adjustment Assistance (TAA) and MontanaWorks which is the automated system for Labor Exchange and Program Management. Finally, the Research and Analysis Bureau works in partnership with the US Department of Labor to provide labor market information that is used at the national and state level by businesses, policy makers, and educators. The bureau also provides k-adult career resources for use by educators, students, workforce development agencies, and job seekers.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2010	PL Base Adjustment Fiscal 2012	New Proposals Fiscal 2012	Total Exec. Budget Fiscal 2012	PL Base Adjustment Fiscal 2013	New Proposals Fiscal 2013	Total Exec. Budget Fiscal 2013
FTE	294.96	0.00	(0.88)	294.08	0.00	(0.88)	294.08
Personal Services	12,208,560	3,699,956	(78,558)	15,829,958	3,691,924	(78,358)	15,822,126
Operating Expenses	5,340,350	1,261,271	0	6,601,621	1,202,360	0	6,542,710
Equipment & Intangible Assets	50,261	0	0	50,261	0	0	50,261
Grants	7,993,376	591,486	735,000	9,319,862	591,486	735,000	9,319,862
Transfers	171,867	0	0	171,867	0	0	171,867
Total Costs	\$25,764,414	\$5,552,713	\$656,442	\$31,973,569	\$5,485,770	\$656,642	\$31,906,826
General Fund	763,335	149,965	(78,558)	834,742	153,060	(78,358)	838,037
State/Other Special	7,203,658	2,644,461	0	9,848,119	2,674,828	0	9,878,486
Federal Special	17,797,421	2,758,287	735,000	21,290,708	2,657,882	735,000	21,190,303
Total Funds	\$25,764,414	\$5,552,713	\$656,442	\$31,973,569	\$5,485,770	\$656,642	\$31,906,826

**DEPARTMENT OF LABOR & INDUSTRY-6602
WORK FORCE SERVICES DIVISION-01**

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$654,251	\$20,960
FY 2013	\$645,735	\$20,664

PL- 101 - WSD Indirect Rate Adjustment -

The Workforce Services Division is requesting \$654,251 for FY 2012 and \$645,735 for FY 2013 from general fund and state and federal special revenue to meet anticipated adjusted costs for the negotiated cost allocation plan and the Office of Information Technology (OIT) network support indirect cost rates.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$560,980	\$0
FY 2013	\$560,980	\$0

PL- 102 - Incumbent Worker Program -

This request is to restore the appropriation for the Incumbent Worker Program. The 21st Century Bureau experienced a delay in implementing the program; the amount requested equals the estimated unspent authority. The total amount requested is \$560,980 state special revenue in each year of the biennium.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$37,000	\$0
FY 2013	\$37,000	\$0

PL- 105 - Displaced Homemaker Increase -

Workforce Services Division is requesting \$37,000 state special revenue in each year of the 2013 biennium to expand the existing Displaced Homemaker Program.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	(\$7,429)	\$0
FY 2013	(\$7,429)	\$0

PL- 106 - Motor Pool Reduction -

The budget includes a cost reduction of \$7,429 state special and federal revenue in each year of the biennium to offset costs for one leased vehicle returned to Motor Pool in FY 2010.

-----New Proposals-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$735,000	\$0
FY 2013	\$735,000	\$0

NP- 107 - Increased Federal Grant TAA -

The Workforce Services Division projects an increase to their initial federal award for Trade Adjustment Assistance (TAA) of \$735,000 over TAA base expenditures of \$3,512,367 in FY 2010. The initial TAA allocation has grown steadily over the last few biennia and most recently is estimated to show a 21 % increase for the federal FY 2011 grant.

**DEPARTMENT OF LABOR & INDUSTRY-6602
WORK FORCE SERVICES DIVISION-01**

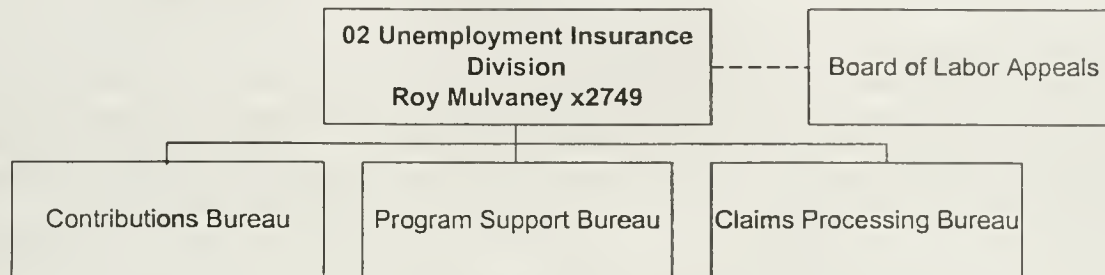
	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	(\$78,558)	(\$78,558)
FY 2013	(\$78,358)	(\$78,358)

NP- 55400 - 4% Personal Services Reduction -

The Governor has included a 4% reduction in general fund personal services budgets as a part of his budget recommendations. This decision package reduces the Workforce Services Division by \$78,558 in FY 2012 and \$78,358 in FY 2013 to implement the budget reduction. The reduction includes the elimination of 0.88 FTE.

DEPARTMENT OF LABOR & INDUSTRY-6602 UNEMPLOYMENT INSURANCE DIVISION-02

Please note that this program also contains proprietary funding (see Section P).



Program Description - The Unemployment Insurance (UI) Division administers the state unemployment insurance law and related federal programs, which provide temporary, partial wage replacement to unemployed workers. The bureaus are: Contributions, Claims Processing, and Program Support. The Contributions Bureau is responsible for UI employer registration, contribution rate assignments, tax and wage report collection, wage revisions, and employer audits. The Claims Processing Bureau has two claims processing centers (Billings and Helena) that file and process claims (monetary eligibility, issue investigation, adjudication, and employer charging), and respond to all UI claim related inquiries. The Claims Processing Bureau is also responsible for Trade Readjustment Assistance, military, federal, and multi-state claims. The Program Support Bureau manages the information technology systems and infrastructure, the division budget and accounting, and the UI trust fund. They also provide management analysis and research for economic, program management, reporting, and legislative purposes in addition to operating tax and benefit quality control, benefit payment control, and integrity programs.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2010	PL Base Adjustment Fiscal 2012	New Proposals Fiscal 2012	Total Exec. Budget Fiscal 2012	PL Base Adjustment Fiscal 2013	New Proposals Fiscal 2013	Total Exec. Budget Fiscal 2013
FTE	153.00	0.00	3.00	156.00	0.00	3.00	156.00
Personal Services	7,734,008	263,709	170,517	8,168,234	268,021	170,100	8,172,129
Operating Expenses	4,396,957	705,457	15,973	5,118,387	749,132	15,851	5,161,940
Transfers	186,358	(186,358)	0	0	(186,358)	0	0
Debt Service	3,775	0	0	3,775	0	0	3,775
Total Costs	\$12,321,093	\$782,808	\$186,490	\$13,290,396	\$830,795	\$185,951	\$13,337,844
State/Other Special	3,444,602	271,822	0	3,716,424	274,025	0	3,718,627
Federal Special	8,876,496	510,986	186,490	9,573,972	556,770	185,951	9,619,217
Total Funds	\$12,321,093	\$782,808	\$186,490	\$13,290,396	\$830,795	\$185,951	\$13,337,844

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$106,158	\$0
FY 2013	\$102,276	\$0

PL- 201 - UI Indirect Rate Adjustment -

The Unemployment Insurance Division (UID) is requesting \$106,158 for FY 2012 and \$102,276 for FY 2013 from state and federal special revenue to meet anticipated adjusted costs for the negotiated cost allocation plan and the Office of Information Technology (OIT) network support indirect cost rates.

**DEPARTMENT OF LABOR & INDUSTRY-6602
UNEMPLOYMENT INSURANCE DIVISION-02**

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	(\$61,358)	\$0
FY 2013	(\$61,358)	\$0

PL- 202 - UI Operating Increase -

The Unemployment Insurance Division is requesting base adjustments in overtime and an increase related to workload which includes legal fees, interpreter services, Secretary of State Web access changes and bank service charges. This request also eliminates the funding for the UI bond payment. Final payment was made in FY 2011. The total decision package is a reduction in funding of (\$61,358) in FY 2012 and (\$61,358) in FY 2013. The increase in operating is funded by federal and state authority and the elimination of the bond payment is a reduction in federal authority.

-----**New Proposals**-----

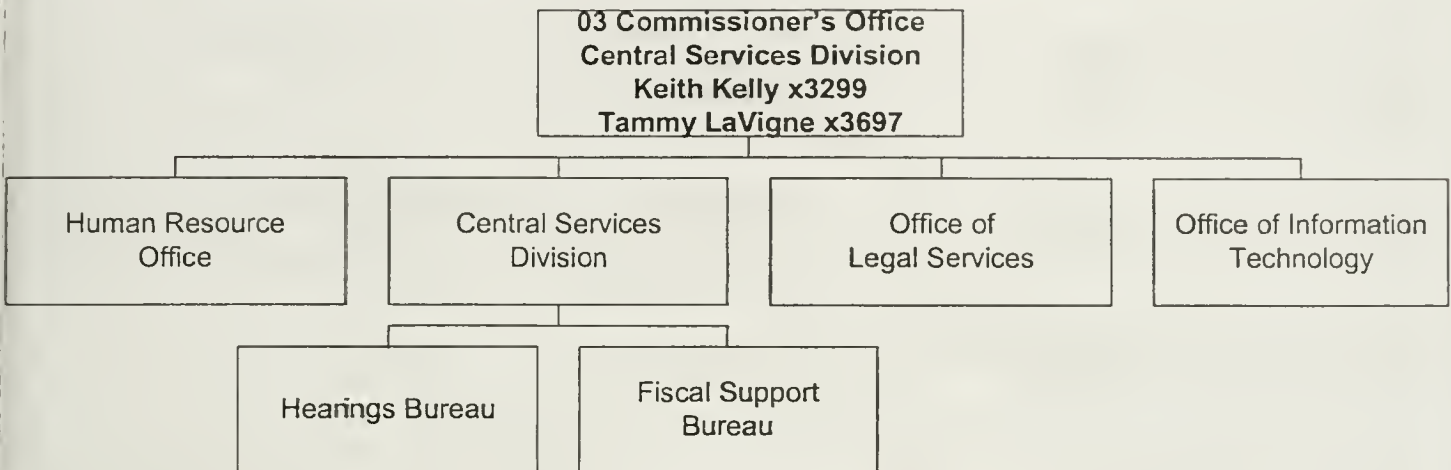
	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$186,490	\$0
FY 2013	\$185,951	\$0

NP- 203 - UI Modernization -3 FTE -

The 2009 Legislature implemented new Unemployment Insurance law for Alternate Base Period, part time work, and 26 weeks of training. This decision package is requesting 3.00 permanent FTE and personal services funding of \$170,517 for FY 2012 and \$170,100 for FY 2013. The request includes operating and indirect costs totaling \$15,973 for FY 2012 and \$15,851 for FY 2013. The total request of the decision package for the biennium is \$372,441 of federal special funds. The law changes require ongoing fact finding and adjudication to make decisions pertinent to these laws.

**DEPARTMENT OF LABOR & INDUSTRY-6602
COMMISSIONER'S OFFICE/CSD-03**

Please note that this program also contains proprietary funding (see Section P).



Program Description - The Commissioner's Office and the Centralized Services Division provide program direction, legal, administration, and support services to the department's five programs and two administratively attached entities.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2010	PL Base Adjustment Fiscal 2012	New Proposals Fiscal 2012	Total Exec. Budget Fiscal 2012	PL Base Adjustment Fiscal 2013	New Proposals Fiscal 2013	Total Exec. Budget Fiscal 2013
FTE	17.00	0.00	0.00	17.00	0.00	0.00	17.00
Personal Services	1,113,947	111,129	0	1,225,076	113,849	0	1,227,796
Operating Expenses	352,356	53,145	0	405,501	53,298	0	405,654
Total Costs	\$1,466,303	\$164,274	\$0	\$1,630,577	\$167,147	\$0	\$1,633,450
General Fund	259,598	18,575	0	278,173	19,709	0	279,307
State/Other Special	618,326	65,270	0	683,596	67,012	0	685,338
Federal Special	531,654	48,744	0	580,398	48,634	0	580,288
Proprietary	56,725	31,685	0	88,410	31,792	0	88,517
Total Funds	\$1,466,303	\$164,274	\$0	\$1,630,577	\$167,147	\$0	\$1,633,450

-----Present Law Adjustments-----

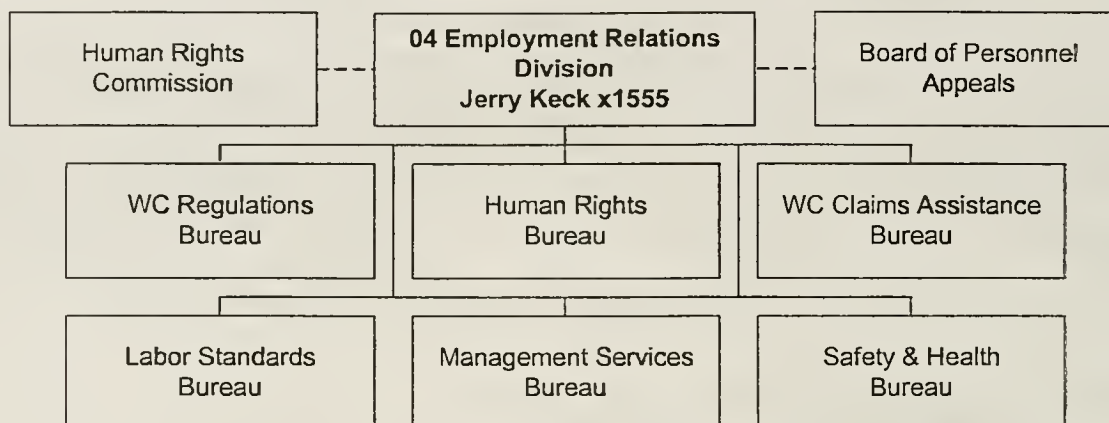
	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$43,823	\$6,385
FY 2013	\$43,666	\$6,361

PL- 301 - CSD Indirect Rate Adjustment -
The Centralized Services Division (CSD) is requesting \$43,823 for FY 2012 and \$43,666 for FY 2013 to meet anticipated adjusted costs for the negotiated cost allocation plan and the Office of Information Technology (OIT) network support indirect cost rates.

DEPARTMENT OF LABOR & INDUSTRY-6602

EMPLOYMENT RELATIONS DIVISION-04

Please note that this program also contains proprietary funding (see Section P).



Program Description - The Employment Relations Division (ERD) provides five service areas to the public: 1) Workers' Compensation (WC) Regulation Bureau, which regulates WC insurance coverage requirements, policy compliance, medical regulations, contractor registration, and independent contractor exemptions; 2) WC Claims Assistance Bureau, which assists organizations and individuals to arrive at early, less expensive settlements of their disputes, and provides management information on the workers' compensation system; 3) Labor Standards Bureau (and administratively attached Board of Personnel Appeals), which enforces state and federal labor laws related to the payment of wages and provides collective bargaining mediation; 4) Safety and Health Bureau, which administers federal and state industrial safety laws; and 5) Human Rights Bureau (and administratively attached Human Rights Commission), which enforces the Montana Human Rights Act and Governmental Code of Fair Practices through investigations, conciliation, hearings, and education. ERD also has one bureau, Management Services Bureau, which provides administrative and IT support to the other five bureaus.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2010	PL Base Adjustment Fiscal 2012	New Proposals Fiscal 2012	Total Exec. Budget Fiscal 2012	PL Base Adjustment Fiscal 2013	New Proposals Fiscal 2013	Total Exec. Budget Fiscal 2013
FTE	129.10	0.00	0.00	129.10	0.00	0.00	129.10
Personal Services	7,594,217	201,941	0	7,796,158	200,447	0	7,794,664
Operating Expenses	4,226,224	254,202	0	4,480,426	275,068	0	4,501,292
Benefits & Claims	103,300	0	0	103,300	0	0	103,300
Total Costs	\$11,923,741	\$456,143	\$0	\$12,379,884	\$475,515	\$0	\$12,399,256
General Fund	1,162,774	17,753	0	1,180,527	23,948	0	1,186,722
State/Other Special	10,049,157	437,066	0	10,486,223	446,196	0	10,495,353
Federal Special	711,810	1,324	0	713,134	5,371	0	717,181
Total Funds	\$11,923,741	\$456,143	\$0	\$12,379,884	\$475,515	\$0	\$12,399,256

**DEPARTMENT OF LABOR & INDUSTRY-6602
EMPLOYMENT RELATIONS DIVISION-04**

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$78,654	\$9,491
FY 2013	\$75,296	\$9,274

PL- 401 - ERD indirect rate adjustment -

The Employment Relations Division (ERD) is requesting \$78,654 for FY 2012 and \$75,296 for FY 2013 from general fund and special revenue funds to meet anticipated adjusted costs for the negotiated cost allocation plan and the Office of Information Technology (OIT) network support indirect cost rates.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$131,000	\$0
FY 2013	\$131,000	\$0

PL- 402 - Utilization and Treatment Guidelines -

The Employment Relations Division is requesting \$131,000 in state special revenue for each year of the biennium which will provide funding for a contract to maintain a web-based utilization and treatment guideline. These guidelines will be used by medical providers and workers' compensation insurers in determining best evidence based treatments for injured workers. Implementation of the utilization and treatment guidelines will provide substantial reductions in the costs of medical care for injured workers while insuring that the most appropriate care is delivered in a timely manner.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$3,016	\$0
FY 2013	\$18,985	\$0

PL- 404 - ERD General Operating Increase -

The budget includes \$3,016 in FY 2012 and \$18,985 in FY 2013 in state special and federal revenues for off campus rent increase.

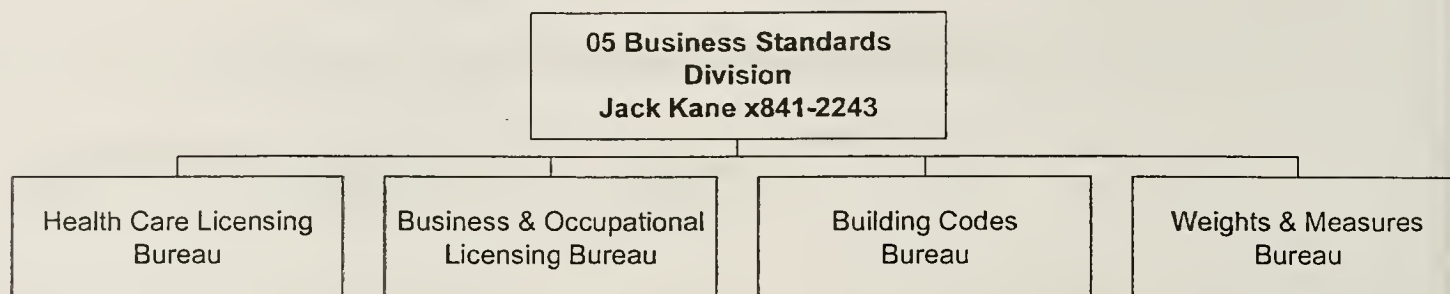
	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	(\$5,803)	\$0
FY 2013	(\$5,803)	\$0

PL- 405 - Motor Pool Reduction -

This decision package reflects a reduction of \$5,803 in each year of the biennium in state special revenue to offset costs for one vehicle returned in FY 2010 to Motor Pool. This is a scaled cost savings and the result of a newly implemented auto sharing policy for the division.

DEPARTMENT OF LABOR & INDUSTRY-6602

BUSINESS STANDARDS DIVISION-05



Program Description - The Business Standards Division consists of four bureaus: Building Codes Bureau, Weights & Measures Bureau, Health Care Licensing Bureau (HCLB), and Business & Occupational Licensing Bureau (BOLB). The Building Codes Bureau establishes and enforces minimum building, plumbing, mechanical, electrical, energy, elevator, and boiler codes throughout Montana. The bureau approves and certifies local government code enforcement programs adopted by the bureau and also assists the Board of Plumbers and State Electrical Board with license law enforcement by checking for proper licensing when inspecting projects for code compliance. The bureau also provides administrative, clerical, and compliance support for 5 licensing programs. The Weights & Measures Bureau is responsible for licensing, inspecting, testing, and certifying all weighing and measuring devices used in making commercial transactions in Montana and enforces laws and regulations pertaining to the quantity control of prepackaged goods, the quality control of petroleum products, and is responsible for maintaining the state standards of mass and volume applied when calibrating other mass and volume standards used in testing commercial devices. The HCLB provides administrative, clerical, and compliance support for 22 licensing boards and 1 program that license professionals and individuals working in the health care field. The licensing boards and program in HCLB include 130 board members and 8 advisory council members appointed by the Governor. The BOLB provides administrative, clerical, and compliance support for 11 licensing boards and 1 licensing program that license professionals and individuals working in non-health-care-related professions and occupations. The licensing boards in BOLB include 78 board members appointed by the Governor.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2010	PL Base Adjustment Fiscal 2012	New Proposals Fiscal 2012	Total Exec. Budget Fiscal 2012	PL Base Adjustment Fiscal 2013	New Proposals Fiscal 2013	Total Exec. Budget Fiscal 2013
FTE	150.04	0.00	0.00	150.04	0.00	0.00	150.04
Personal Services	8,009,302	543,290	0	8,552,592	539,634	0	8,548,936
Operating Expenses	5,625,658	484,238	0	6,109,896	569,265	0	6,194,923
Equipment & Intangible Assets	223,973	0	0	223,973	0	0	223,973
Grants	15,136	0	0	15,136	0	0	15,136
Total Costs	\$13,874,069	\$1,027,528	\$0	\$14,901,597	\$1,108,899	\$0	\$14,982,968
State/Other Special	13,861,604	1,027,320	0	14,888,924	1,108,695	0	14,970,299
Federal Special	12,465	208	0	12,673	204	0	12,669
Total Funds	\$13,874,069	\$1,027,528	\$0	\$14,901,597	\$1,108,899	\$0	\$14,982,968

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$205,157	\$0
FY 2013	\$201,359	\$0

PL- 501 - BSD Indirect Rate Adjustment -

The Business Standards Division (BSD) is requesting \$205,157 for FY 2012 and \$201,359 for FY 2013 state special revenue to meet anticipated adjusted costs for the negotiated cost allocation plan and the Office of Information Technology (OIT) network support indirect cost rates.

**DEPARTMENT OF LABOR & INDUSTRY-6602
BUSINESS STANDARDS DIVISION-05**

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$48,192	\$0
FY 2013	\$120,147	\$0

PL- 503 - BSD General Operating Increase -

The Business Standards Division is requesting \$48,192 in FY 2012 and \$120,147 in FY 2013 in state special revenue. All operating increases are needed to meet division's operational costs in the FY 2013 biennium.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$97,824	\$0
FY 2013	\$102,047	\$0

PL- 504 - BSD Consulting Increase -

The Business Standards Division is requesting \$97,824 in FY 2012 and \$102,047 in FY 2013 in state special revenue to cover the increase in consultant and professional services for the licensing boards. Total obligation for FY 2012 is \$621,140 and FY 2013 is \$625,363, of which \$523,316 is built into the base budget leaving an outstanding balance of \$97,824 in FY 2012 and \$102,047 in FY 2013.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$100,000	\$0
FY 2013	\$100,000	\$0

PL- 505 - BSD Data Base Maintenance -

This decision package requests \$100,000 for each year of the biennium state special revenue to cover the maintenance contract for the new Accela database system purchased in FY 2010. Total obligation for this contract is \$500,000 of which \$400,000 was built into base in FY 2010, leaving an outstanding obligation of \$100,000 for each year of the biennium.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	(\$10,439)	\$0
FY 2013	(\$10,439)	\$0

PL- 506 - BSD Motor Pool Reduction -

The budget includes a reduction of \$10,439 each year of the biennium in state special revenue to offset costs for one vehicle returned in FY 2011 to Motor Pool.

**DEPARTMENT OF LABOR & INDUSTRY-6602
OFFICE OF COMMUNITY SERVICES-07**

07 Office of Community
Services
Jan Lombardi x2573

Program Description - The Office of Community Services provides administration for the Corporation for National and Community Service AmeriCorps State programs, community service, and volunteer efforts statewide. The office was created by the 1993 Legislature, at the request of the Governor, to engage citizens in service and support volunteer opportunities focused on critical community needs. The office works with the Montana Commission on Community Service to promote civic engagement, particularly among youth and older Montanans.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2010	PL Base Adjustment Fiscal 2012	New Proposals Fiscal 2012	Total Exec. Budget Fiscal 2012	PL Base Adjustment Fiscal 2013	New Proposals Fiscal 2013	Total Exec. Budget Fiscal 2013
FTE	4.00	0.00	0.00	4.00	0.00	0.00	4.00
Personal Services	257,803	9,414	0	267,217	8,751	0	266,554
Operating Expenses	217,616	15,560	0	233,176	15,713	0	233,329
Grants	2,444,100	0	0	2,444,100	0	0	2,444,100
Transfers	80,040	0	0	80,040	0	0	80,040
Total Costs	\$2,999,559	\$24,974	\$0	\$3,024,533	\$24,464	\$0	\$3,024,023
General Fund	122,920	743	0	123,663	1,002	0	123,922
State/Other Special	39,070	344	0	39,414	319	0	39,389
Federal Special	2,837,569	23,887	0	2,861,456	23,143	0	2,860,712
Total Funds	\$2,999,559	\$24,974	\$0	\$3,024,533	\$24,464	\$0	\$3,024,023

**DEPARTMENT OF LABOR & INDUSTRY-6602
WORKERS' COMPENSATION COURT-09**

09 Workers Compensation Court Judge James Jeremiah Shea x7794
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Program Description - The Workers' Compensation Court provides a venue for Montana employees, employers, and the insurance industry to resolve disputes arising from work-related injuries and occupational diseases. The Court is attached to the department for administrative purposes only.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2010	PL Base Adjustment Fiscal 2012	New Proposals Fiscal 2012	Total Exec. Budget Fiscal 2012	PL Base Adjustment Fiscal 2013	New Proposals Fiscal 2013	Total Exec. Budget Fiscal 2013
TE	7.00	0.00	0.00	7.00	0.00	0.00	7.00
Personal Services	474,733	27,487	0	502,220	26,429	0	501,162
Operating Expenses	165,079	4,523	0	169,602	6,048	0	171,127
Total Costs	\$639,812	\$32,010	\$0	\$671,822	\$32,477	\$0	\$672,289
State/Other Special	639,812	32,010	0	671,822	32,477	0	672,289
Total Funds	\$639,812	\$32,010	\$0	\$671,822	\$32,477	\$0	\$672,289

-----Present Law Adjustments-----

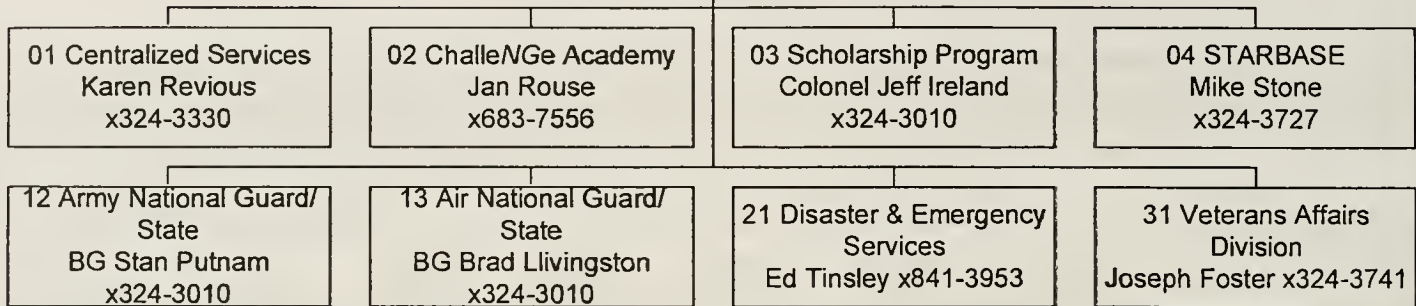
	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$3,408	\$0
FY 2013	\$4,800	\$0

PL- 902 - WCC General Operating Increase -

The Workers' Compensation Court is requesting \$3,408 in FY 2012 and \$4,800 in FY 2013 in state special revenue for an off campus rent increase.

DEPARTMENT OF MILITARY AFFAIRS-6701

**6701 Department of
Military Affairs
BG John E. Walsh x324-3010**

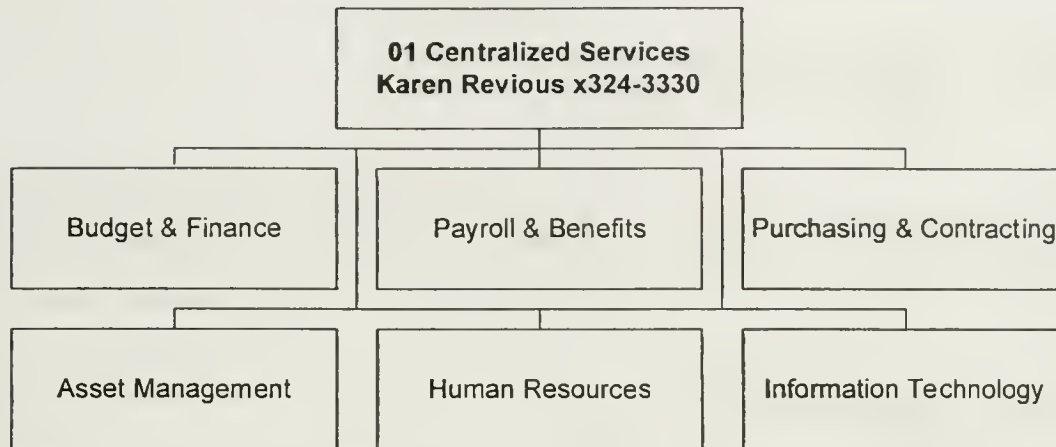


Mission Statement - To provide for safety and well being for citizens of Montana through mission-ready forces, for federal and state activations, emergency services as directed by the Governor, and services to Montana Veterans.

Statutory Authority - Article I, U.S. Constitution;
Article VI, Section 13, Montana Constitution;
Title 10, MCA

Agency Proposed Budget							
Budget Item	Base Budget Fiscal 2010	PL Base Adjustment Fiscal 2012	New Proposals Fiscal 2012	Total Exec. Budget Fiscal 2012	PL Base Adjustment Fiscal 2013	New Proposals Fiscal 2013	Total Exec. Budget Fiscal 2013
FTE	192.66	0.00	1.16	193.82	0.00	1.16	193.82
Personal Services	10,767,265	265,508	151,595	11,184,368	281,276	161,440	11,209,981
Operating Expenses	14,815,955	791,586	3,000	15,610,541	743,673	3,000	15,562,628
Equipment & Intangible Assets	357,423	0	0	357,423	0	0	357,423
Grants	5,265,505	102,000	0	5,367,505	102,000	0	5,367,505
Benefits & Claims	2,280	0	0	2,280	0	0	2,280
Transfers	441,549	0	0	441,549	0	0	441,549
Total Costs	\$31,649,977	\$1,159,094	\$154,595	\$32,963,666	\$1,126,949	\$164,440	\$32,941,366
General Fund	5,612,637	121,941	(112,287)	5,622,291	113,623	(112,338)	5,613,922
State/Other Special	1,127,398	256,488	0	1,383,886	238,975	0	1,366,373
Federal Special	24,909,942	780,665	266,882	25,957,489	774,351	276,778	25,961,071
Total Funds	\$31,649,977	\$1,159,094	\$154,595	\$32,963,666	\$1,126,949	\$164,440	\$32,941,366

**DEPARTMENT OF MILITARY AFFAIRS-6701
CENTRALIZED SERVICES DIVISION-01**



Program Description - The Centralized Services Division provides departmental administration through the Office of the Adjutant General and department-wide support for accounting, fiscal management, personnel, labor relations, and purchasing and property management oversight. The program operates in accordance with Title 2, Chapter 15, part 12 and Title 10, MCA.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2010	PL Base Adjustment Fiscal 2012	New Proposals Fiscal 2012	Total Exec. Budget Fiscal 2012	PL Base Adjustment Fiscal 2013	New Proposals Fiscal 2013	Total Exec. Budget Fiscal 2013
FTE	12.20	0.00	(0.44)	11.76	0.00	(0.44)	11.76
Personal Services	792,410	108,140	(23,054)	877,496	109,395	(23,087)	878,718
Operating Expenses	90,224	2,120	0	92,344	(3,157)	0	87,067
Equipment & Intangible Assets	0	0	0	0	0	0	0
Benefits & Claims	2,280	0	0	2,280	0	0	2,280
Total Costs	\$884,914	\$110,260	(\$23,054)	\$972,120	\$106,238	(\$23,087)	\$968,065
General Fund	632,072	37,627	(23,054)	646,645	33,211	(23,087)	642,196
Federal Special	252,842	72,633	0	325,475	73,027	0	325,869
Total Funds	\$884,914	\$110,260	(\$23,054)	\$972,120	\$106,238	(\$23,087)	\$968,065

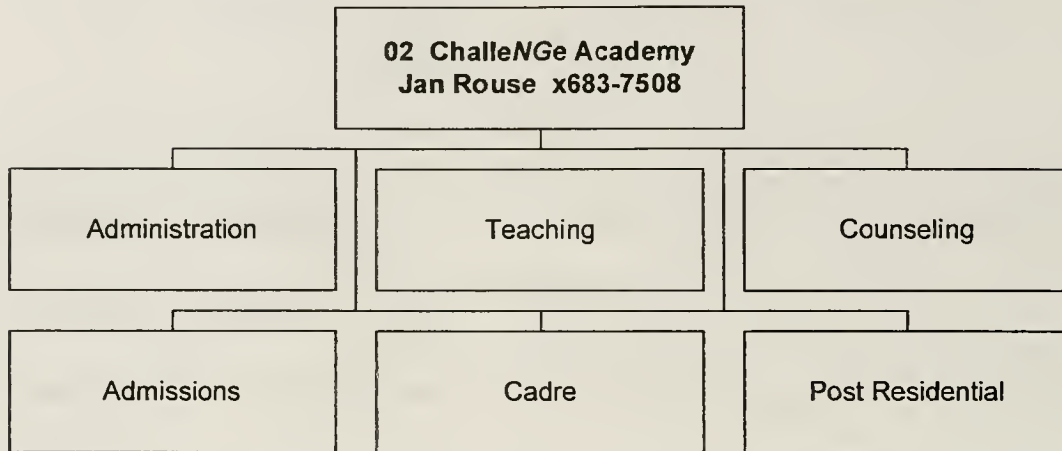
-----Other Legislation Required to Implement HB2-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	(\$23,054)	(\$23,054)
FY 2013	(\$23,087)	(\$23,087)

NP- 55400 - 4% Personal Services Reduction Centralized Service -

The Governor has included a 4% reduction in general fund personal services budgets as a part of his budget recommendations. This decision package reduces the Centralized Service program general fund by \$23,054 in FY 2012 and \$23,0887 in FY 2013 to implement the budget reduction. The reduction includes the elimination of 0.44 FTE.

DEPARTMENT OF MILITARY AFFAIRS-6701 CHALLENGE PROGRAM-02



Program Description - The Montana National Guard Youth ChalleNGe Program is a volunteer program for youth ages 16 to 18 who have stopped attending secondary school before graduating. ChalleNGe is a 17-month, voluntary two-phased military modeled training program targeting unemployed, drug-free, and crime-free high school dropouts. The program provides an opportunity for high school "at risk" youth to enhance their life skills, increase their educational levels, and their employment potential. Phase I of the program is a 22 week residential stay on the campus of Western Montana College of the University of Montana in Dillon focusing on physical training, classroom instruction, personal development, and life skills. Phase II is a year-long mentoring relationship with a specially-trained member of the community where the youth resides to provide a positive role model and to assist the student in gaining employment or enrolling in post-secondary schooling.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2010	PL Base Adjustment Fiscal 2012	New Proposals Fiscal 2012	Total Exec. Budget Fiscal 2012	PL Base Adjustment Fiscal 2013	New Proposals Fiscal 2013	Total Exec. Budget Fiscal 2013
FTE	49.15	0.00	(1.50)	47.65	0.00	(1.50)	47.65
Personal Services	2,166,300	(5,203)	(84,868)	2,076,229	(4,829)	(84,868)	2,076,603
Operating Expenses	1,092,570	219,713	0	1,312,283	215,612	0	1,308,182
Total Costs	\$3,258,870	\$214,510	(\$84,868)	\$3,388,512	\$210,783	(\$84,868)	\$3,384,785
General Fund	1,264,643	(408,800)	(21,217)	834,626	(409,729)	(21,218)	833,696
State/Other Special	0	0	0	0	0	0	0
Federal Special	1,994,227	623,310	(63,651)	2,553,886	620,512	(63,650)	2,551,089
Total Funds	\$3,258,870	\$214,510	(\$84,868)	\$3,388,512	\$210,783	(\$84,868)	\$3,384,785

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$40,000	\$10,000
FY 2013	\$40,000	\$10,000

PL- 201 - Funding for ChalleNGe 24/7 overtime -

The Montana Youth ChalleNGe Academy is requesting \$10,000 general fund and \$30,000 federal special revenue in each year of the biennium to support overtime and holiday salaries. These costs are zero based and not included in the program's base budget. These costs are caused because the program is required to have staff coverage 24 hours a day, 7 days a week.

DEPARTMENT OF MILITARY AFFAIRS-6701

CHALLENGE PROGRAM-02

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$70,000	\$17,500
FY 2013	\$70,000	\$17,500

PL- 202 - Funding for increase in food service contract. -

The Montana Youth Challenge Academy is requesting funding to cover increased food service costs for students due to a \$ 70,000 increase in the annual maximum amount payable for food service to the University of Montana - Western. Due to an increase in the number of students this maximum will be reached. Funding for the request is \$17,500 general fund and \$52,500 federal funds each year.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$50,000	\$0
FY 2013	\$50,000	\$0

PL- 203 - Federal spending authority for Challenge training -

The budget includes \$50,000 federal special revenue each year of the biennium for Challenge employees to participate in essential training classes required by National Guard Bureau. These federal funds do not require any state matching funds.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$120,000	\$30,000
FY 2013	\$120,000	\$30,000

PL- 204 - Funding for increased enrollment and educational resources -

This decision package includes \$30,000 general fund and \$90,000 federal funds each year of the biennium to cover costs of higher student enrollment, restoration of services to students, and increasing educational opportunities and classroom resources.

-----New Proposals-----

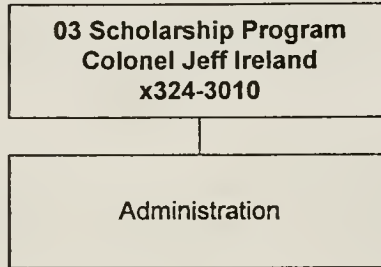
	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	(\$84,868)	(\$21,217)
FY 2013	(\$84,868)	(\$21,218)

NP- 55400 - 4% Personal Services Reduction Challenge -

The Governor has included a 4% reduction in general fund personal services budgets as a part of his budget recommendations. This decision package reduces the Challenge program general fund by \$21,217 in FY 2012 and \$21,218 in FY 2013 to implement the budget reduction. Federal funds will also be reduced by \$63,651 in FY 2012 and \$63,650 in FY 2013. The reduction includes the elimination of 1.50 FTE.

DEPARTMENT OF MILITARY AFFAIRS-6701

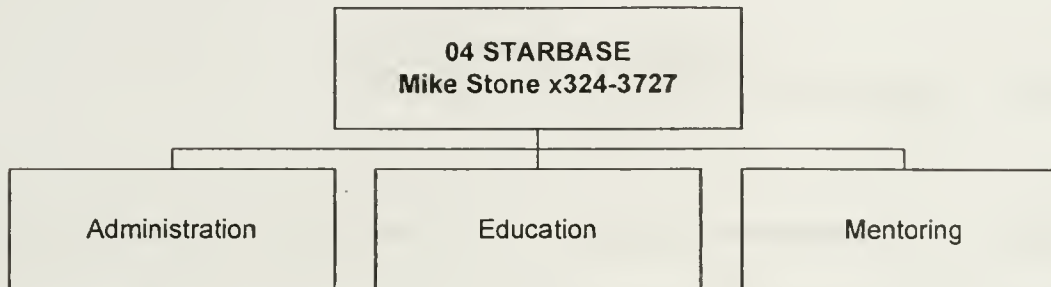
SCHOLARSHIP PROGRAM-03



Program Description - The Montana National Guard Scholarship Program provides scholarships to eligible Montana National Guard personnel enrolled as undergraduate students in Montana colleges, universities, or training programs. The program assists Montana in recruiting and retaining personnel in both the Army and Air National Guard and in enhancing its operational readiness to assume both state and federal active duty missions. Scholarships also reward guard members for their service to the state by helping defray their educational costs at Montana post-secondary institutions.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2010	PL Base Adjustment Fiscal 2012	New Proposals Fiscal 2012	Total Exec. Budget Fiscal 2012	PL Base Adjustment Fiscal 2013	New Proposals Fiscal 2013	Total Exec. Budget Fiscal 2013
FTE	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Operating Expenses	209,408	0	0	209,408	0	0	209,408
Total Costs	\$209,408	\$0	\$0	\$209,408	\$0	\$0	\$209,408
General Fund	209,408	0	0	209,408	0	0	209,408
Total Funds	\$209,408	\$0	\$0	\$209,408	\$0	\$0	\$209,408

**DEPARTMENT OF MILITARY AFFAIRS-6701
STARBASE-04**

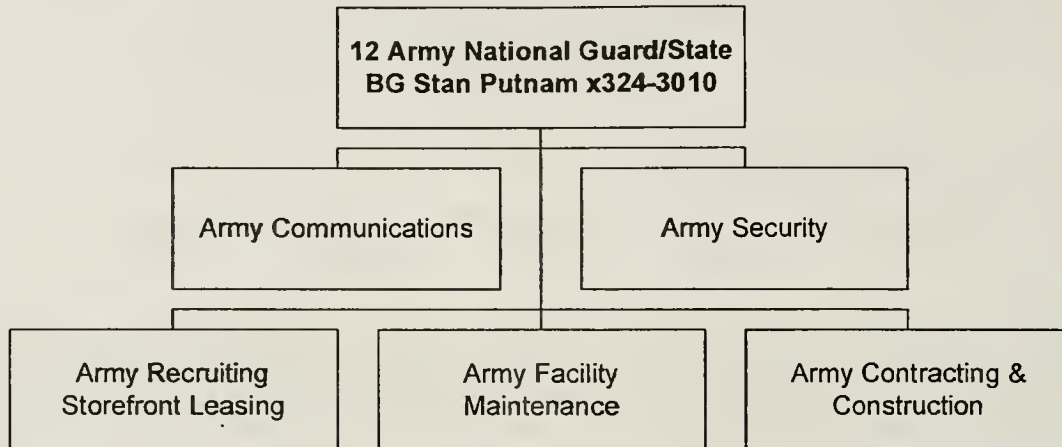


Program Description - The Montana STARBASE "Big Sky" Program is a program for elementary school aged children to raise the interest and improve the knowledge and skills of at-risk youth in math, science, and technology by exposing them and their teachers to real world applications of math and science through experimental learning, simulations, experiments in aviation and space-related fields as it deals with a technological environment and by utilizing the positive role models found on military bases and installations. The program also addresses drug use prevention, health, self esteem, and life skills with a math and science based program.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2010	PL Base Adjustment Fiscal 2012	New Proposals Fiscal 2012	Total Exec. Budget Fiscal 2012	PL Base Adjustment Fiscal 2013	New Proposals Fiscal 2013	Total Exec. Budget Fiscal 2013
FTE	2.00	0.00	0.00	2.00	0.00	0.00	2.00
Personal Services	118,498	17,459	0	135,957	17,931	0	136,429
Operating Expenses	180,312	(269)	0	180,043	(838)	0	179,474
Total Costs	\$298,810	\$17,190	\$0	\$316,000	\$17,093	\$0	\$315,903
Federal Special	298,810	17,190	0	316,000	17,093	0	315,903
Total Funds	\$298,810	\$17,190	\$0	\$316,000	\$17,093	\$0	\$315,903

DEPARTMENT OF MILITARY AFFAIRS-6701

ARMY NATIONAL GUARD PROGRAM-12



Program Description - The Army National Guard until federalized, is a state military organization which provides trained and equipped military units for use in the event of a state or national emergency. The federal/state cooperative agreement provides funding for facilities management, environmental, and communications support to the organization by: 1) providing professional and skilled personnel for the administration, planning, and execution of statewide repair and maintenance functions on facilities and training areas; 2) planning, programming and contracting for construction; 3) ensuring all activities and facilities comply with environmental regulations; and 4) providing state-wide communication services, security contracts, and leases for buildings and land used by the Army National Guard. The program is mandated by the U.S. and Montana constitutions and Title 10, Chapters 1-3, MCA.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2010	PL Base Adjustment Fiscal 2012	New Proposals Fiscal 2012	Total Exec. Budget Fiscal 2012	PL Base Adjustment Fiscal 2013	New Proposals Fiscal 2013	Total Exec. Budget Fiscal 2013
FTE	42.31	0.00	(0.50)	41.81	0.00	(0.50)	41.81
Personal Services	2,550,228	55,439	(4,740)	2,600,927	59,912	(4,744)	2,605,396
Operating Expenses	10,719,283	468,243	0	11,187,526	452,269	0	11,171,552
Equipment & Intangible Assets	357,423	0	0	357,423	0	0	357,423
Total Costs	\$13,626,934	\$523,682	(\$4,740)	\$14,145,876	\$512,181	(\$4,744)	\$14,134,371
General Fund	1,224,762	407,585	(4,740)	1,627,607	406,225	(4,744)	1,626,243
Federal Special	12,402,172	116,097	0	12,518,269	105,956	0	12,508,128
Total Funds	\$13,626,934	\$523,682	(\$4,740)	\$14,145,876	\$512,181	(\$4,744)	\$14,134,371

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$343,016	\$68,658
FY 2013	\$343,016	\$68,658

PL- 1201 - Operational Support for New ARNG Facilities -

This request is for additional funding to support the operational costs of Army National Guard facilities which will come on line after the base year and for those which were not fully funded in the base year. This includes funds to provide a basic level of janitorial services in common use spaces such as latrines and in corridors. It also funds items such as utilities, ground maintenance, and code required inspections (such as fire sprinkler, fire alarm, and kitchen hood inspections).

For facilities that are replacements for buildings which already exist, this request only funds the difference between the old building costs and the estimated costs for the new building.

**DEPARTMENT OF MILITARY AFFAIRS-6701
ARMY NATIONAL GUARD PROGRAM-12**

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$4,000	\$4,000
FY 2013	\$4,000	\$4,000

PL- 1202 - Operation & Maintenance of DES Generator -

The budget includes \$4,000 general fund each year for operations and maintenance of the original Disaster and Emergency Services (DES) emergency backup generator.

-----**New Proposals**-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	(\$4,740)	(\$4,740)
FY 2013	(\$4,744)	(\$4,744)

NP- 55400 - 4% Personal Services Reduction Army Program -

The Governor has included a 4% reduction in general fund personal services budgets as a part of his budget recommendations. This decision package reduces the Army National Guard general fund by \$4,740 in FY 2012 and \$4,744 in FY 2013 to implement the budget reduction. The reduction includes the elimination of 0.50 FTE.

DEPARTMENT OF MILITARY AFFAIRS-6701

AIR NATIONAL GUARD PROGRAM-13

**13 Air National Guard/State
BG Brad Livingston
x324-3010**

Administration

Facility Maintenance

Fire Fighters

Security Contracting

Program Description - The Air National Guard, until federalized, is a state military organization which provides trained and equipped military units for use in the event of a state or national emergency. The federal/state cooperative agreement provides for administrative, facilities maintenance, security, and fire protection support to the Air National Guard base at Gore Hill near Great Falls. The Air National Guard program operates under both federal and state mandates in accordance with its dual missions and is mandated by the United States and Montana Constitutions and Title 10, Chapter 1-3, MCA.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2010	PL Base Adjustment Fiscal 2012	New Proposals Fiscal 2012	Total Exec. Budget Fiscal 2012	PL Base Adjustment Fiscal 2013	New Proposals Fiscal 2013	Total Exec. Budget Fiscal 2013
FTE	34.00	0.00	5.60	39.60	0.00	5.60	39.60
Personal Services	2,125,758	154,055	349,607	2,629,420	162,834	359,505	2,648,097
Operating Expenses	1,740,739	3,056	3,000	1,746,795	9,980	3,000	1,753,719
Total Costs	\$3,866,497	\$157,111	\$352,607	\$4,376,215	\$172,814	\$362,505	\$4,401,816
General Fund	362,348	17,630	(5,575)	374,403	19,814	(5,579)	376,583
Federal Special	3,504,149	139,481	358,182	4,001,812	153,000	368,084	4,025,233
Total Funds	\$3,866,497	\$157,111	\$352,607	\$4,376,215	\$172,814	\$362,505	\$4,401,816

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$333,940	\$0
FY 2013	\$339,485	\$0

PL- 1301 - Federal Authority for 24/7 Firefighter Salaries -

The budget includes 100% federal spending authority of \$333,940 in FY 2012 and \$339,485 in FY 2013 for the overtime, regular hours over 40 per week and related benefit costs incurred by the Air National Guard Firefighters in Great Falls. Costs for overtime and regular hours over 40 per week are zero based and are not captured in the personnel services snapshot used for the initial budget preparation.

**DEPARTMENT OF MILITARY AFFAIRS-6701
AIR NATIONAL GUARD PROGRAM-13**

-----**New Proposals**-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$373,002	\$0
FY 2013	\$382,860	\$0

NP- 1302 - Federal Authority for New Fire FTEs -

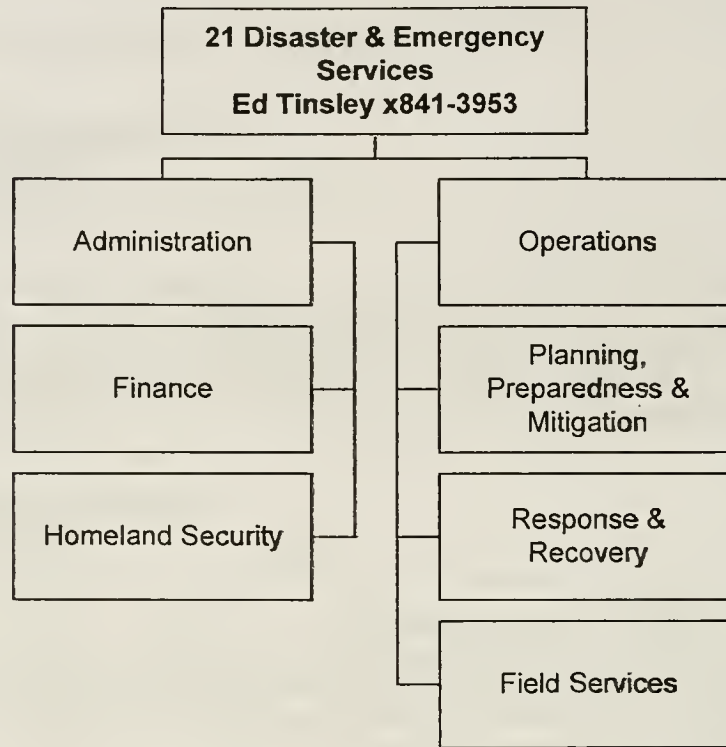
The Executive recommends an increase of \$373,002 in FY 2012 and \$382,860 in FY 2013 of 100% Federal spending authority to permanently increase Air National Guard firefighter staffing by 6.00 FTE. The National Guard Bureau notified the Montana Air National Guard in August 2010 that the manpower standard for the base has been permanently increased from 24 FTE to 30 FTE, effective 1 October 2010, in support of the Air National Guard mission and joint use requirements with the Great Falls International Airport.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	(\$20,395)	(\$5,575)
FY 2013	(\$20,355)	(\$5,579)

NP- 55400 - 4% Personal Services Reduction Air Program -

The Governor has included a 4% reduction in general fund personal services budgets as a part of his budget recommendations. This decision package reduces the Air National Guard general fund by \$5,575 in FY 2012 and \$5,579 in FY 2013 to implement the budget reduction. Federal funds will also be reduced by \$14,820 in FY 2012 and \$14,776 in FY 2013. The reduction includes the elimination of 0.40 FTE.

**DEPARTMENT OF MILITARY AFFAIRS-6701
DISASTER & EMERGENCY SERVICES-21**



Program Description - The Disaster and Emergency Services Division duties and responsibilities are provided for under Title 10, Chapter 3, MCA. The division is responsible for the coordination, development and implementation of emergency management planning, mitigation, response, and recovery statewide. This responsibility includes the administration and disbursement of federal Homeland Security and Emergency Management funds to eligible political subdivisions and tribal nations across the state. The division maintains a 24 hour a day point of contact to coordinate the volunteer, state, and federal response for assistance to political subdivisions and tribal nations in the event of a incident, emergency, or disaster.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2010	PL Base Adjustment Fiscal 2012	New Proposals Fiscal 2012	Total Exec. Budget Fiscal 2012	PL Base Adjustment Fiscal 2013	New Proposals Fiscal 2013	Total Exec. Budget Fiscal 2013
FTE	23.00	0.00	(1.00)	22.00	0.00	(1.00)	22.00
Personal Services	1,600,472	(159,102)	(55,298)	1,386,072	(158,857)	(55,312)	1,386,303
Operating Expenses	412,625	45,128	0	457,753	19,141	0	431,766
Grants	5,265,505	102,000	0	5,367,505	102,000	0	5,367,505
Transfers	441,549	0	0	441,549	0	0	441,549
Total Costs	\$7,720,151	(\$11,974)	(\$55,298)	\$7,652,879	(\$37,716)	(\$55,312)	\$7,627,123
General Fund	1,051,209	17,072	(27,649)	1,040,632	18,521	(27,656)	1,042,074
State/Other Special	211,200	159,000	0	370,200	139,000	0	350,200
Federal Special	6,457,742	(188,046)	(27,649)	6,242,047	(195,237)	(27,656)	6,234,849
Total Funds	\$7,720,151	(\$11,974)	(\$55,298)	\$7,652,879	(\$37,716)	(\$55,312)	\$7,627,123

**DEPARTMENT OF MILITARY AFFAIRS-6701
DISASTER & EMERGENCY SERVICES-21**

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$38,976	\$19,488
FY 2013	\$38,976	\$19,488

PL- 2101 - DES Duty Officer Overtime -

The budget includes funding for the overtime salary and benefits costs incurred by the DES Duty Officers to provide 24 hour, 7 days a week disaster & emergency response. Overtime costs are zero based and are not captured in the personnel services snapshot used for the initial budget preparation. Requested funds include \$19,488 general fund and a like amount of federal funds each year.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$159,000	\$0
FY 2013	\$139,000	\$0

PL- 2102 - State Special Revenue Spending Authority -

The division requests \$159,000 in FY 2012 and \$139,000 in FY 2013 of state special revenue authority. Funding will be used to fund original costs incurred prior to reimbursement from other states under the Emergency Management Assistance Compact (EMAC). Funding will also be used to reimburse county sheriffs and local search and rescue missions, training, and equipment. Funding is also requested to expend funds collected for the emergency preparedness summit and the DES training conference.

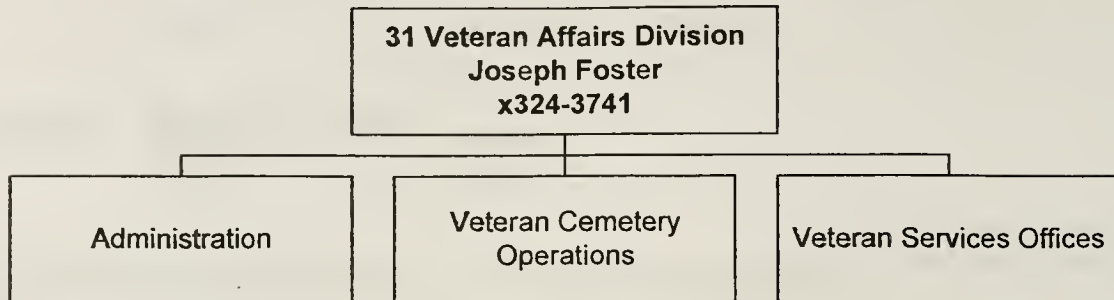
-----New Proposals-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	(\$55,298)	(\$27,649)
FY 2013	(\$55,312)	(\$27,656)

NP- 55400 - 4% Personal Services Reduction DES -

The Governor has included a 4% reduction in general fund personal services budgets as a part of his budget recommendations. This decision package reduces the Disaster & Emergency Services general fund by \$27,649 in FY 2012 and \$27,656 in FY 2013 to implement the budget reduction. Federal funds will also be reduced by \$27,649 in FY 2012 and \$27,656 in FY 2013. The reduction includes the elimination of 1.00 FTE.

DEPARTMENT OF MILITARY AFFAIRS-6701 VETERANS' AFFAIRS PROGRAM-31



Program Description - The Veterans Affairs Division assists discharged veterans and their families, cooperates with state and federal agencies, promotes the general welfare of veterans, and provides information on veterans' benefits. The program also administers the veterans' cemeteries located at Miles City, Fort Harrison, in Helena and Missoula. The Board of Veterans' Affairs is administratively attached to the Department of Military Affairs, and operates under a state mandate provided in Title 10, Chapter 2, MCA.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2010	PL Base Adjustment Fiscal 2012	New Proposals Fiscal 2012	Total Exec. Budget Fiscal 2012	PL Base Adjustment Fiscal 2013	New Proposals Fiscal 2013	Total Exec. Budget Fiscal 2013
FTE	30.00	0.00	(1.00)	29.00	0.00	(1.00)	29.00
Personal Services	1,413,599	94,720	(30,052)	1,478,267	94,890	(30,054)	1,478,435
Operating Expenses	370,794	53,595	0	424,389	50,666	0	421,460
Equipment & Intangible Assets	0	0	0	0	0	0	0
Total Costs	\$1,784,393	\$148,315	(\$30,052)	\$1,902,656	\$145,556	(\$30,054)	\$1,899,895
General Fund	868,195	50,827	(30,052)	888,970	45,581	(30,054)	883,722
State/Other Special	916,198	97,488	0	1,013,686	99,975	0	1,016,173
Total Funds	\$1,784,393	\$148,315	(\$30,052)	\$1,902,656	\$145,556	(\$30,054)	\$1,899,895

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$75,000	\$0
FY 2013	\$75,000	\$0

PL- 3101 - Spending authority for Patriotic Plates -

The division requests spending authority for the Patriot license plate special revenue account. The funding will be used for staff training, operational support, and state veterans service organization projects of mutual support including - homeless veteran stand downs and outreach programs.

**DEPARTMENT OF MILITARY AFFAIRS-6701
VETERANS' AFFAIRS PROGRAM-31**

-----New Proposals-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	(\$30,052)	(\$30,052)
FY 2013	(\$30,054)	(\$30,054)

NP- 55400 - 4% Personal Services Reduction Veterans Affairs -

The Governor has included a 4% reduction in general fund personal services budgets as a part of his budget recommendations. This decision package reduces the Veterans Affairs general fund by \$30,052 in FY 2012 and \$30,054 in FY 2013 to implement the budget reduction. The reduction includes the elimination of 1.00 FTE.





GOVERNOR
BRIAN SCHWEITZER

STATE OF MONTANA

SECTION B: PUBLIC HEALTH & HUMAN SERVICES

Economic Security Services Branch
Director's Office
Operations Services Branch

Public Health and Safety
Medicaid and Health Services Branch

OBPP Staff:

Pat Sullivan
Bob Andersen

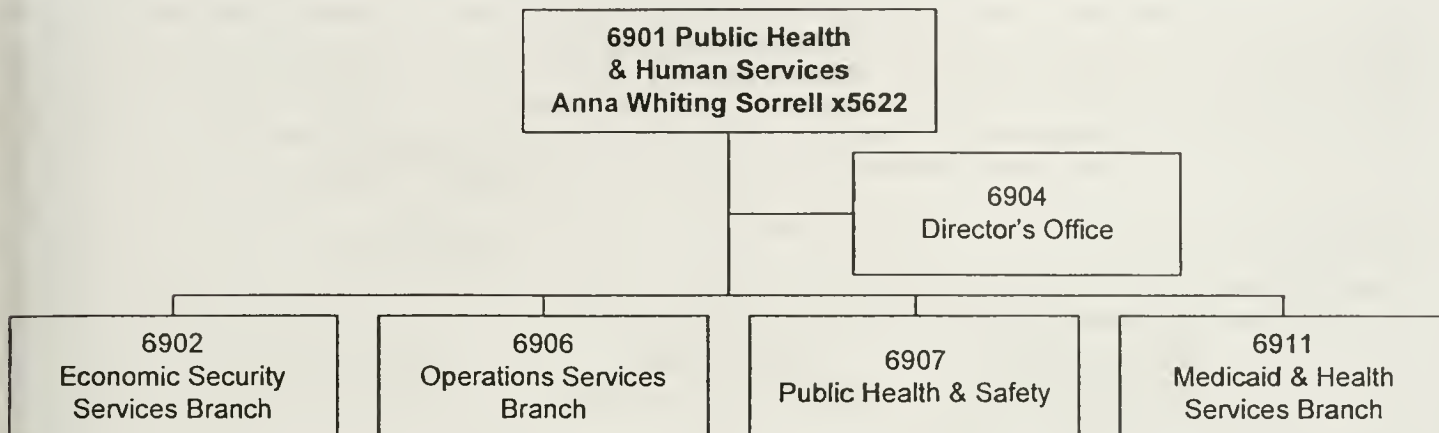
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GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING



DEPARTMENT OF PUBLIC HEALTH & HUMAN SERVICES - 6901



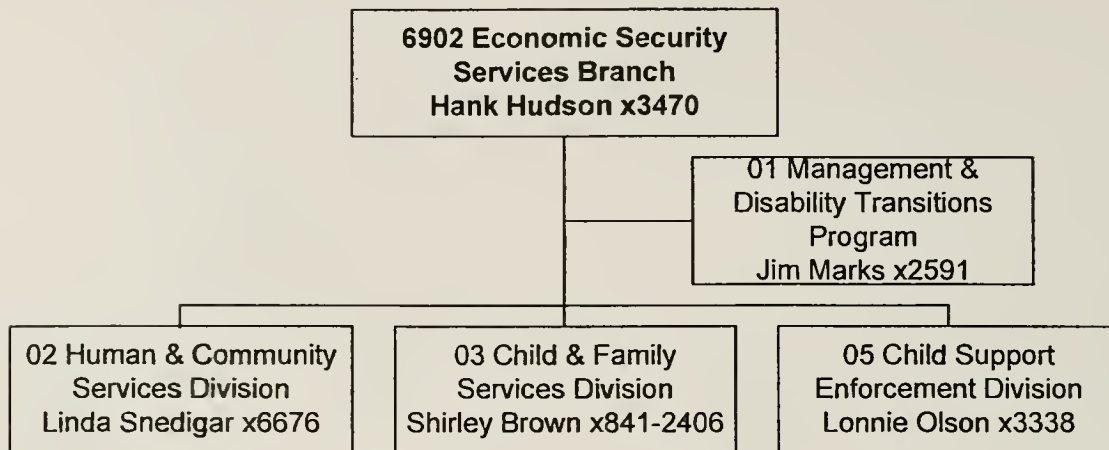
Mission Statement - Improving and Protecting the Health, Well-Being and Self-Reliance of All Montanans.

Statutory Authority - 2-15-2201, MCA

Agency Proposed Budget							
Budget Item	Base Budget Fiscal 2010	PL Base Adjustment Fiscal 2012	New Proposals Fiscal 2012	Total Exec. Budget Fiscal 2012	PL Base Adjustment Fiscal 2013	New Proposals Fiscal 2013	Total Exec. Budget Fiscal 2013
FTE	2,944.93	0.00	(1.50)	2,943.43	0.00	(5.79)	2,939.14
Personal Services	153,766,363	7,388,018	(57,077)	161,097,304	7,384,474	(325,655)	160,825,182
Operating Expenses	98,996,562	6,325,202	2,157,971	107,479,735	7,806,450	2,270,125	109,073,137
Equipment & Intangible Assets	663,318	7,000	0	670,318	7,000	0	670,318
Grants	63,535,583	3,670,851	732,434	67,938,868	2,674,479	734,507	66,944,569
Benefits & Claims	1,147,446,375	327,208,518	4,785,253	1,479,440,146	411,908,878	6,103,609	1,565,458,862
Debt Service	203,030	0	0	203,030	0	0	203,030
Total Costs	\$1,464,611,231	\$344,599,589	\$7,618,581	\$1,816,829,401	\$429,781,281	\$8,782,586	\$1,903,175,098
General Fund	303,495,348	123,868,494	(3,568,073)	423,795,769	117,105,933	(3,387,898)	417,213,383
State/Other Special	118,771,216	19,664,987	3,014,495	141,450,698	39,683,368	3,025,541	161,480,125
Federal Special	1,042,344,667	201,066,108	8,172,159	1,251,582,934	272,991,980	9,144,943	1,324,481,590
Total Funds	\$1,464,611,231	\$344,599,589	\$7,618,581	\$1,816,829,401	\$429,781,281	\$8,782,586	\$1,903,175,098

Agency Organization – For presentation purposes, the Department of Public Health and Human Services is shown in 5 branches, as shown in the org chart above. Each branch is made up of programs as shown on the org charts for the individual branch budgets.

ECONOMIC SECURITY SERVICES BRANCH-6902



Mission Statement - To develop an organized approach to family economic security.

Statutory Authority - Statutory authority for the Economic Security Services Branch is in Title 53, Chapter 2, Part 2 MCA and 45 CFR. The Branch was established in ARM Title 37, Chapter 1.

Agency Proposed Budget							
Budget Item	Base Budget Fiscal 2010	PL Base Adjustment Fiscal 2012	New Proposals Fiscal 2012	Total Exec. Budget Fiscal 2012	PL Base Adjustment Fiscal 2013	New Proposals Fiscal 2013	Total Exec. Budget Fiscal 2013
FTE	1,161.02	0.00	(8.30)	1,152.72	0.00	(8.30)	1,152.72
Personal Services	57,157,124	2,673,737	(300,260)	59,530,601	2,653,835	(295,867)	59,515,092
Operating Expenses	17,788,237	2,298,342	1,384,823	21,471,402	2,471,271	1,569,691	21,829,199
Equipment & Intangible Assets	94,840	7,000	0	101,840	7,000	0	101,840
Grants	26,380,918	3,430,039	0	29,810,957	2,417,156	0	28,798,074
Benefits & Claims	224,134,404	129,893,456	29,856	354,057,716	174,238,508	40,062	398,412,974
Debt Service	189,926	0	0	189,926	0	0	189,926
Total Costs	\$325,745,449	\$138,302,574	\$1,114,419	\$465,162,442	\$181,787,770	\$1,313,886	\$508,847,105
General Fund	69,002,422	4,477,499	(846,602)	72,633,319	6,144,422	(846,602)	74,300,242
State/Other Special	6,520,447	427,505	1,332,112	8,280,064	423,774	1,331,350	8,275,571
Federal Special	250,222,580	133,397,570	628,909	384,249,059	175,219,574	829,138	426,271,292
Total Funds	\$325,745,449	\$138,302,574	\$1,114,419	\$465,162,442	\$181,787,770	\$1,313,886	\$508,847,105

ECONOMIC SECURITY SERVICES BRANCH-6902 MANAGEMENT & DISABILITY TRANSITIONS-01

Program Description - Disability Transitions Programs (DTP) assists Montanans with disabilities in living, working, and participating in their communities. The program provides or contracts for a variety of employment outcome-related, independent living, and transition services. These services include counseling and guidance, career training, transportation, adaptive equipment, orientation and mobility services to the blind, vocational rehabilitation training, independent living services, medical services, job placement, and supported employment. DTP is responsible for medical adjudication of all claims for Social Security Disability and Supplemental Security Income.

Vocational Rehabilitation (VR) serves individuals with physical, mental, visual, hearing, brain injury, and other disabilities.

Disability Transitions Programs (DTP) serves the telecommunications needs of Montanans who are deaf, hard of hearing, speech disabled, or mobility disabled through the Montana Telecommunication Access Program (MTAP).

The Economic Security Services Branch manager is attached to this program for budget purposes.

Statutory Title 53, MCA, 29 U.S.C. 721 et. seq., 29 U.S.C. 796, et. seq., 29 U.S.C. 774, 29 U.S.C. 777b, 29 U.S.C. 2201 et. seq., 42 U.S.C. 75, 6602, 72 U.S.C. 1300, 42 CFR 441.302(b), 42 CFR 441.302(g), 45 CFR 74.62, and 34 CRF Part 303

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2010	PL Base Adjustment Fiscal 2012	New Proposals Fiscal 2012	Total Exec. Budget Fiscal 2012	PL Base Adjustment Fiscal 2013	New Proposals Fiscal 2013	Total Exec. Budget Fiscal 2013
FTE	146.00	0.00	0.00	146.00	0.00	0.00	146.00
Personal Services	7,491,367	488,508	101,318	8,081,193	481,699	104,358	8,077,424
Operating Expenses	4,119,037	20,720	1,036,766	5,176,523	31,700	1,222,489	5,373,226
Benefits & Claims	12,164,156	39,901	29,856	12,233,913	80,202	40,062	12,284,420
Total Costs	\$23,774,560	\$549,129	\$1,167,940	\$25,491,629	\$593,601	\$1,366,909	\$25,735,070
General Fund	5,317,820	118,821	(65,972)	5,370,669	192,976	(65,972)	5,444,824
State/Other Special	865,705	(36,745)	775,000	1,603,960	(35,945)	775,000	1,604,760
Federal Special	17,591,035	467,053	458,912	18,517,000	436,570	657,881	18,685,486
Total Funds	\$23,774,560	\$549,129	\$1,167,940	\$25,491,629	\$593,601	\$1,366,909	\$25,735,070

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$39,901	\$39,901
FY 2013	\$80,202	\$80,202

PL- 1001 - Tuition Increase -

This decision package provides a general fund increase of \$39,901 in FY 2012 and \$80,202 in FY 2013 for a 1% increase each year to fund a portion of the increase tuition costs for Vocational Rehabilitation benefits. This will assist individuals with disabilities in returning to work.

ECONOMIC SECURITY SERVICES BRANCH-6902 MANAGEMENT & DISABILITY TRANSITIONS-01

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$58,365	\$63,593
FY 2013	\$69,048	\$73,422

PL- 1002 - Non DofA rent adjustment -

This Management and Disability Transitions program requests funding for rent increases for offices in non-state owned buildings. This decision package requests a total of \$137,284 of general fund and a total reduction of \$9,652 of state special revenue for the 2013 biennium. This increase supports the MTAP and Vocational Rehabilitation programs and are built into the lease agreements for field offices. Reductions due to lease negotiations and increases for leases that could not be reduced were factored into this calculation.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$0	(\$43,200)
FY 2013	\$0	(\$43,200)

PL- 55140 - 17-7-140 Optimize In-Service and ILOB funding -

This decision package reduces the general fund base budget by \$43,200 and increases federal fund by the same amount each year of the biennium for the Management and Disability Transitions program. This amount annualizes and makes permanent the 17-7-140, MCA, 5% general fund budget reduction put in place in the 2011 biennium. Costs will be reduced in training and education due to using WebEx and increasing federal participation. There will be additional reductions in personal services costs associated with hands on benefits for individuals in the older blind program by capping the grant.

-----New Proposals-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$775,000	\$0
FY 2013	\$775,000	\$0

NP- 1103 - MTAP New Technologies -

Management and Disability Transitions requests \$1.55 million state special revenue authority for the 2013 biennium for the Montana Telecommunications Access Program (MTAP), in the event the federal government mandates that the states pay for new technologies. MTAP predicts the federal mandate will come with advance notice of at least 18 months.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$392,940	\$0
FY 2013	\$591,909	\$0

NP- 1104 - Disability Determination Federal Funds Adjustment -

This decision package requests an increase of \$984,850 in federal funds over the 2013 biennium for the Disability Determination Services for client travel, zero-based personal services, and medical consultants. This request will allow the Disability Determination Services bureau to process their workload in an electronic environment to meet Social Security Administration (SSA) required productivity levels.

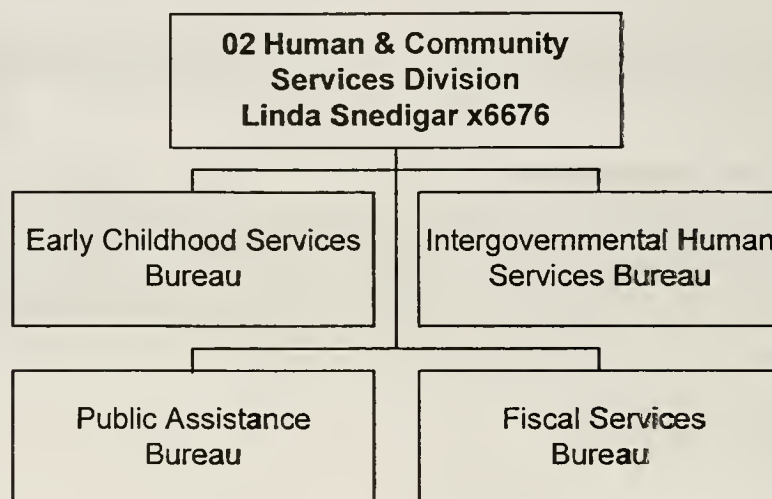
**ECONOMIC SECURITY SERVICES BRANCH-6902
MANAGEMENT & DISABILITY TRANSITIONS-01**

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$0	(\$65,972)
FY 2013	\$0	(\$65,972)

NP- 55401 - 4% Personal Svs GF Bud Reduction -

The Governor has included a 4% reduction in general fund personal services budgets as a part of his budget recommendations. This decision package reduces the Management and Disability Transition program by \$65,972 in general fund each year of the biennium to implement this reduction. No positions will be eliminated to accomplish this permanent general fund reduction. The savings will be realized by restructuring a previously restricted general fund only position. The position will move into the general program and allow 78.7% of the cost to come from federal funds. This will reduce the general fund spending and will carry forward permanently.

**ECONOMIC SECURITY SERVICES BRANCH-6902
HUMAN & COMMUNITY SERVICES-02**



Program Description - The Human and Community Services Division is comprised of four bureaus: 1) Public Assistance; 2) Early Childhood Services; 3) Intergovernmental Human Services; and 4) Fiscal Services.

The Public Assistance Bureau administers and provides eligibility services for Montana's Temporary Assistance to Needy Families (TANF) program, Refugee Assistance program, and Supplemental Nutrition Assistance Program (SNAP) in locations across the state. At these same locations, the bureau also provides eligibility services for over 40 Medicaid groups including Healthy Montana Kids (HMK) Plus.

The Early Childhood Services Bureau: 1) manages the funds which pay for child care for TANF participants, working caretaker relatives and low-income working families; 2) contracts with resource and referral agencies to administer child care eligibility, recruit providers, and provide technical assistance; 3) administers the Child and Adult Care Food Program which provides reimbursement to child care providers for the cost of meals served to eligible children and adults; 4) administers the Head Start State Collaboration grant; 5) administers the Early Childhood Comprehensive Systems Grant; and 6) manages the funds which pay for quality child care initiatives including professional development.

The Intergovernmental Human Services Bureau administers: 1) the Community Services block grant which is used by 10 Human Resource Development Councils to provide a wide range of community-based human services; 2) the Low-Income Energy Assistance Program and Weatherization program; 3) the DOE Weatherization program including funding for weatherization from five other sources; 4) the Emergency Shelter grants program; 5) the Housing Opportunities for Persons with AIDS grants; and 6) three USDA commodities programs. In addition, the bureau stores and distributes USDA commodity foods to elderly feeding sites, and stores USDA commodity foods for school lunch programs.

The Fiscal Services Bureau coordinates implementation and monitoring of the division's budget.

Statutory authority is in Title 53, Chapter 2, MCA, and 45 CFR.

ECONOMIC SECURITY SERVICES BRANCH-6902 HUMAN & COMMUNITY SERVICES-02

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2010	PL Base Adjustment Fiscal 2012	New Proposals Fiscal 2012	Total Exec. Budget Fiscal 2012	PL Base Adjustment Fiscal 2013	New Proposals Fiscal 2013	Total Exec. Budget Fiscal 2013
FTE	467.32	0.00	5.00	472.32	0.00	5.00	472.32
Personal Services	21,850,090	1,260,125	238,225	23,348,440	1,255,701	238,225	23,344,016
Operating Expenses	6,390,876	2,401,692	(36,000)	8,756,568	2,448,250	(36,000)	8,803,126
Equipment & Intangible Assets	80,600	7,000	0	87,600	7,000	0	87,600
Grants	20,042,893	3,430,039	0	23,472,932	2,417,156	0	22,460,049
Benefits & Claims	183,415,718	128,298,798	0	311,714,516	170,156,163	0	353,571,881
Total Costs	\$231,780,177	\$135,397,654	\$202,225	\$367,380,056	\$176,284,270	\$202,225	\$408,266,672
General Fund	30,868,237	589,093	(489,127)	30,968,203	524,439	(489,127)	30,903,549
State/Other Special	1,408,638	420,412	557,112	2,386,162	420,472	556,350	2,385,460
Federal Special	199,503,302	134,388,149	134,240	334,025,691	175,339,359	135,002	374,977,663
Total Funds	\$231,780,177	\$135,397,654	\$202,225	\$367,380,056	\$176,284,270	\$202,225	\$408,266,672

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$5,627,179	\$0
FY 2013	\$4,230,979	\$0

PL- 2009 - Child Care Development & Food Program Grant Increase -

The Early Childhood Services Bureau is requesting additional federal authority of \$9,858,158 for the 2013 biennium to realize full availability of federal funding. The additional Child Care Development Fund funding will be used for child care scholarship services and for quality activities as required by the grant. The Child and Adult Care Food Program is a USDA entitlement program with a 2.6% meal reimbursement cost increase annually, as well as anticipated meal service increases. The CACFP serves 148 child care organizations at over 220 facilities, including: child care centers; Head Starts; Programs; Boys and Girls Clubs; and after-school programs.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$5,688,695	\$0
FY 2013	\$6,329,569	\$0

PL- 2012 - TANF Cash Benefit Increase -

This adjustment requests \$12,018,264 federal TANF appropriation authority for the 2013 biennium. This will fund a projected three percent increase per year in the case load of TANF benefit recipients and will maintain the benefit level at 33% of the 2009 federal poverty level.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$104,198,052	\$0
FY 2013	\$145,801,860	\$0

PL- 2013 - SNAP Benefit Increases -

This present law adjustment requests an increase in \$249,999,912 federal appropriation authority for the 2013 biennium to fund the projected caseload and poverty level adjustments for the Supplemental Nutrition Assistance Program (SNAP). From March 2005 to March 2010, the food stamp benefit cases have increased from 35,156 cases per month to 51,417 cases per month, this is a 46.26% increase in five years.

ECONOMIC SECURITY SERVICES BRANCH-6902

HUMAN & COMMUNITY SERVICES-02

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$137,961	\$45,252
FY 2013	\$177,196	\$57,294

PL- 20014 - Non DofA Rent Adjustment - HCSD -

The Human and Community Services Division requests \$315,157 additional authority for the biennium, including \$102,546 general fund and \$8,066 state special revenue fund, and the remainder in federal funds to pay the net increase in leases of non-state owned buildings located throughout the state. Some leases have been reduced for the next biennium and some remain the same. This request represents the net difference.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$44,429	\$0
FY 2013	\$44,429	\$0

PL- 20015 - TANF Second Chance Homes -

This request is from the Public Assistance Bureau to increase federal TANF authority \$44,429 each year of the biennium for Second Chance Homes. The start-up of one of the homes was delayed until part way through FY 2010. With this request, funding remains at the level approved in the 2009 legislative session. This proposal ensures that, on a statewide basis, there are 26 beds available for TANF eligible teenage mothers who are at high risk of negative outcomes.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$469,525	\$0
FY 2013	\$469,525	\$0

PL- 20016 - TANF Family Economic Security -

This adjustment by the Human and Community Services Division requests \$939,050 federal TANF appropriation authority for the 2013 biennium to maintain the authority approved in the 2009 legislative session for the Family Economic Security initiative. This project increases the financial security of low-income families and, thereby, works to address the concerns about people who leave TANF but are still not financially independent.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$965,000	\$0
FY 2013	\$965,000	\$0

PL- 20017 - TANF Employment Programs -

This adjustment by the Human and Community Services Division requests \$1,930,000 federal appropriation authority for the 2013 biennium to redefine the Accelerated Employment Support Program (AESP) to include the Subsidized Employment Program (SEP). SEP was funded as a pilot project and has proven to be effective in securing employment and moving participants towards improved financial security.

ECONOMIC SECURITY SERVICES BRANCH-6902

HUMAN & COMMUNITY SERVICES-02

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$2,928,610	\$0
FY 2013	\$2,928,610	\$0

PL- 20018 - Weatherization and Other IHSB Increases -

This request from the Intergovernmental Human Services Bureau (IHSB) is to increase total biennium spending authority by \$5,857,220 which includes \$690,000 state special revenue funds and \$5,167,220 federal funds. These funds will provide support for six federally funded grants including: Department of Energy Weatherization (DOE); Community Services Block Grant (CSBG); Housing Opportunities for Persons with AIDS (HOPWA); The Emergency Food Assistance Programs (TEFAP); Food Distribution Program on Indian Reservations (FDPIR); Commodity Supplemental Food Program (CSFP); and one state special revenue fund, Universal Systems Benefit Weatherization (USB).

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$14,803,255	\$0
FY 2013	\$14,803,255	\$0

PL- 20019 - LIEAP Grant Increase -

This request by Intergovernmental Human Services bureau is to increase federal spending authority by \$14,803,255 per year of the biennium for the LIEAP federal grant. These funds will be used to either supplement low-income energy assistance benefits or to weatherize homes in an effort to defray heating costs for Montana families. As per the federal LIEAP set aside, Montana reservations will be eligible to access a portion of this funding.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$96,545	\$22,758
FY 2013	\$96,545	\$22,758

PL- 20020 - Restore OT/Holidays Worked -

This request by Human & Community Services Division is for a \$96,545 increase in total funds each year of the 2013 biennium, including \$22,758 per year in general fund and \$8,653 per year of state special revenue funds, to restore zero-based authority for overtime for Office of Public Assistance staff, Child Care staff, and truck drivers.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	(\$42,983)	(\$42,983)
FY 2013	(\$42,983)	(\$42,983)

PL- 55141 - 17-7-140 Reduction-PAB Operation Efficiencies -

This decision package reduces the general fund base budget by \$42,983 each year of the biennium for the Human and Community Services Division. This amount annualizes and makes permanent the 17-7-140, MCA, 5% budget reduction put in place in the 2011 biennium. The Public Assistance Bureau in the Human and Community Services Division will make operations reductions through efficiencies in the areas of travel, conferences, supplies, newspaper ads, cell phone use, postage, and contracting.

ECONOMIC SECURITY SERVICES BRANCH-6902

HUMAN & COMMUNITY SERVICES-02

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	(\$24,545)	(\$24,545)
FY 2013	(\$24,545)	(\$24,545)

PL- 55142 - 17-7-140 Reduction-Child Care Operation Efficiency -

This decision package reduces the general fund base budget by \$24,545 each year of the biennium for the Human and Community Services Division. This amount annualizes and makes permanent the 17-7-140, MCA, 5% budget reduction put in place in the 2011 biennium. The Early Childhood Services Bureau will make operations reductions in federal funds through efficiencies in the areas of travel, conferences, supplies, newspaper ads, cell phone use, postage and contracting. Federal Funds made available in these efficiencies will be used for benefits previously paid for with general fund.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	(\$75,000)	(\$75,000)
FY 2013	(\$75,000)	(\$75,000)

PL- 55143 - 17-7-140 Eliminate Child Care RR Network Contract -

This decision package reduces the general fund base budget by \$75,000 each year of the biennium for the Human and Community Services Division. This amount annualizes and makes permanent the 17-7-140, MCA, 5% budget reduction put in place in the 2011 biennium. The Early Childhood Services Bureau in the Human and Community Services Division will realize a cost savings as a result of discontinuing the contract to the Child Care Resource & Referral Network and assigning of select functions to child care resource and referral agencies.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	(\$150,000)	(\$150,000)
FY 2013	(\$150,000)	(\$150,000)

PL- 55144 - 17-7-140 Reduction-Centralize Child Care Referrals -

This decision package reduces the general fund base budget by \$150,000 each year of the biennium for the Human and Community Services Division. This amount annualizes and makes permanent the 17-7-140, MCA, 5% budget reduction put in place in the 2011 biennium. The Early Childhood Services Bureau of the Human and Community Services Division will restructure one function of child care resource and referral agencies by establishing a centralized child care referral call center in conjunction with the NACCRRWare software. NACCRRWare is a software product run through the National Association of Child Care Resource & Referral Agencies. Centralization of operations with expert operators via phone or e-mail will more efficiently serve the public.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	(\$150,000)	(\$150,000)
FY 2013	(\$150,000)	(\$150,000)

PL- 55145 - 17-7-140 Reduction-Child Care RR Agency Re-org -

This decision package reduces the general fund base budget by \$150,000 each year of the biennium for the Human and Community Services Division. This amount annualizes and makes permanent the 17-7-140, MCA, 5% budget reduction put in place in the 2011 biennium. The Early Childhood Services Bureau in the Human and Community Services Division is reorganizing the child care resource and referral services for greater administrative efficiency and reduced contract expense by reducing the number of districts by one.

ECONOMIC SECURITY SERVICES BRANCH-6902

HUMAN & COMMUNITY SERVICES-02

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	(\$200,000)	(\$200,000)
FY 2013	(\$200,000)	(\$200,000)

PL- 55146 - 17-7-140 Reduction-Dual Eligibility for Child Care & SNAP -

This decision package reduces the general fund base budget by \$200,000 each year of the biennium for the Human and Community Services Division. This amount annualizes and makes permanent the 17-7-140, MCA, 5% budget reduction put in place in the 2011 biennium. The Early Childhood Services Bureau in the Human and Community Services Division will realize a cost savings by using SNAP eligibility information to more efficiently qualify children of SNAP participating families for child care assistance.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	(\$50,000)	(\$50,000)
FY 2013	(\$50,000)	(\$50,000)

PL- 55147 - 17-7-140 Eliminate Child Care Consumer Ed Contract -

This decision package reduces the general fund base budget by \$50,000 each year of the biennium for the Human and Community Services Division. This amount annualizes and makes permanent the 17-7-140, MCA, 5% budget reduction put in place in the 2011 biennium. The Early Childhood Services Bureau in the Human and Community Services Division will realize cost savings and efficiencies by ending the consumer education contract.

-----New Proposals-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$238,225	\$0
FY 2013	\$238,225	\$0

NP- 20101 - Make Permanent Temporary and Modified HMK FTE -

The Human and Community Services Division is requesting \$207,208 state special revenue funds and \$269,242 federal revenue funds over the biennium and five positions be made permanent to maintain needed eligibility functions. The 2009 Legislature approved temporary full time equivalent (FTE) positions to implement the Healthy Montana Kids HMK Plan, which expanded CHIP eligibility for children from 175% to 250% of the federal poverty level. HCSD received three of the temporary positions. In addition, two modified positions were hired in 2011 because of the increased number of applications. HMK Plus (Medicaid Expansion) has received the bulk of the increases in eligibility determinations and current eligibility staff is needed to continue to process applications. The positions are funded with federal dollars and I-155 state special revenue funds.

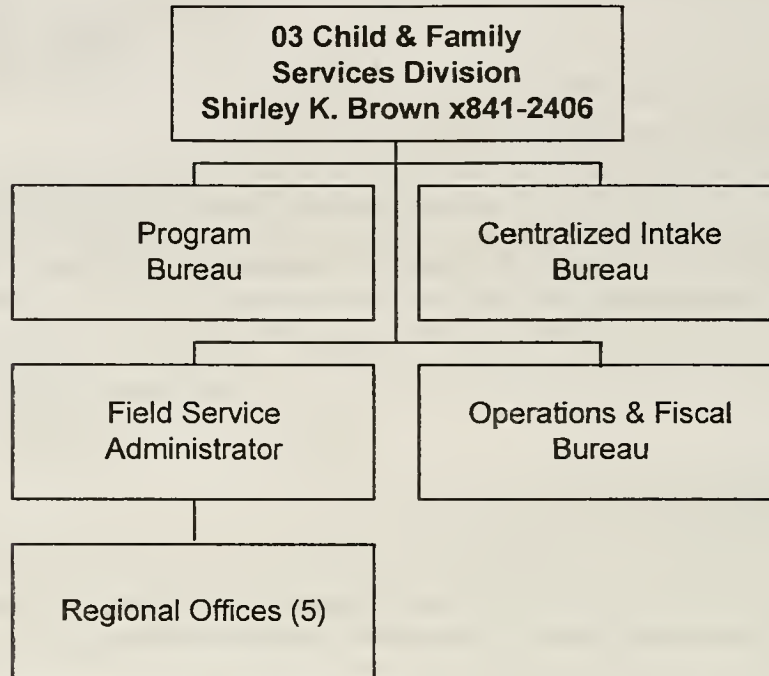
	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	(\$36,000)	(\$489,127)
FY 2013	(\$36,000)	(\$489,127)

NP- 55402 - 4% Personal Services GF Budget Reduction -

The Governor has included a 4% reduction in general fund personal services budgets as a part of his budget recommendations. This decision package reduces general fund in Human and Community Services by \$489,127 and increases state special revenue by \$453,127 in each year of the biennium to implement this reduction. The package includes a decrease of \$36,000 in operating expenses resulting from the implementation of RAMP, a paperless filing system at the offices of public assistance.

ECONOMIC SECURITY SERVICES BRANCH-6902

CHILD & FAMILY SERVICES-03



Program Description - The Child and Family Services Division (CFSD) administers child protective services, child abuse and neglect services, prevention services, domestic violence grants, and other programs designed to keep children safe and families strong. CFSD is composed of three bureaus and five regions that administer programs and are advised by Local Family Services Advisory Councils, which serve as the link between local communities and DPHHS. CFSD is the primary user of the statewide Child and Adult Protective Services (CAPS) computer system.

Statutory authority for the program is provided in Titles 41, 42, and 52, MCA, and 45 CFR, Parts 1355, 1356, 1357 and 1370.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2010	PL Base Adjustment Fiscal 2012	New Proposals Fiscal 2012	Total Exec. Budget Fiscal 2012	PL Base Adjustment Fiscal 2013	New Proposals Fiscal 2013	Total Exec. Budget Fiscal 2013
FTE	380.45	0.00	(10.80)	369.65	0.00	(10.80)	369.65
Personal Services	18,935,742	632,754	(495,497)	19,072,999	626,005	(494,144)	19,067,603
Operating Expenses	5,449,646	(126,973)	384,057	5,706,730	(29,518)	383,202	5,803,330
Equipment & Intangible Assets	14,240	0	0	14,240	0	0	14,240
Grants	6,338,025	0	0	6,338,025	0	0	6,338,025
Benefits & Claims	28,554,530	1,554,757	0	30,109,287	4,002,143	0	32,556,673
Debt Service	130,912	0	0	130,912	0	0	130,912
Total Costs	\$59,423,095	\$2,060,538	(\$111,440)	\$61,372,193	\$4,598,630	(\$110,942)	\$63,910,783
General Fund	30,727,782	1,727,243	(242,439)	32,212,586	3,374,631	(242,439)	33,859,974
State/Other Special	2,495,422	0	0	2,495,422	0	0	2,495,422
Federal Special	26,199,891	333,295	130,999	26,664,185	1,223,999	131,497	27,555,387
Total Funds	\$59,423,095	\$2,060,538	(\$111,440)	\$61,372,193	\$4,598,630	(\$110,942)	\$63,910,783

**ECONOMIC SECURITY SERVICES BRANCH-6902
CHILD & FAMILY SERVICES-03**

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$547,384	\$275,792
FY 2013	\$1,564,301	\$804,920

PL- 30001 - Adoption Caseload Increase -

The Child and Family Services Division is requesting a Subsidized Adoption Caseload increase of \$1,080,712 general fund and \$1,030,973 federal funds for the 2013 Biennium. This request is to increase the Subsidized Adoption program by 4.5% in FY 2012 and 8% in FY 2013 to account for a projected increase in the caseload.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$1,007,373	\$698,300
FY 2013	\$2,437,842	\$1,689,886

PL- 30002 - Foster Care Caseload Increase -

The Child and Family Services Division is requesting a Foster Care Caseload increase of \$2,388,186 in general fund and \$1,057,029 in federal funds for the 2013 Biennium. This request is to increase the Foster Care program by 6.0% in FY 2012 and 8.0% in FY 2013 to account for a projected increase in caseload.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$0	\$105,317
FY 2013	\$0	\$133,093

PL- 30003 - FMAP Rate Decrease - Foster Care -

The Child and Family Services Division is requesting an increase of \$238,410 in general fund and a decrease of the same amount in federal funds for the 2013 Biennium to address federal changes in the FMAP rate for Foster Care. The foster care adjusted base expenditures were calculated based upon an FMAP of 68.04%. This adjustment reduces the FMAP from 68.04% to 66.22% in FY 2012 and to 65.74% in FY 2013.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$0	\$165,878
FY 2013	\$0	\$209,625

PL- 30004 - FMAP Rate Decrease - Subsidized Adoption -

The Child and Family Services Division is requesting an increase of \$375,503 in general fund and a decrease of the same amount in federal funds for the 2013 Biennium to address federal changes in the FMAP rate for Subsidized Adoption. The subsidized adoption adjusted base expenditures were calculated based upon an FMAP of 68.04%. This adjustment reduces the FMAP from 68.04% to 66.22% in FY 2012 and to 65.74% in FY 2013.

ECONOMIC SECURITY SERVICES BRANCH-6902

CHILD & FAMILY SERVICES-03

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$87,698	\$64,959
FY 2013	\$87,698	\$64,959

PL- 30005 - Restore OT/Holidays Worked -

The Child and Family Services Division is requesting funding increases of \$129,918 in general fund and \$45,478 in federal funds for the 2013 biennium to restore zero-based authority for overtime compensation and holidays worked. Overtime and holidays worked are zero-based and are on-going routine costs for this division.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$56,169	\$36,182
FY 2013	\$151,062	\$96,876

PL- 30006 - Non DofA Rent Annualization -

This Child and Family Services request of \$133,058 in general fund and \$74,173 in federal funds for the 2013 biennium annualizes lease amounts for non-state owned buildings. This adjustment annualizes lease amounts costs for the relocation of the Child and Family Services Central Office and the Region IV office. Reductions due to the lease negotiations and increases for leases that could not be reduced were factored into this calculation.

-----New Proposals-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$384,057	\$80,000
FY 2013	\$383,202	\$80,000

NP- 30101 - Continue Chafee Independent Living Support -

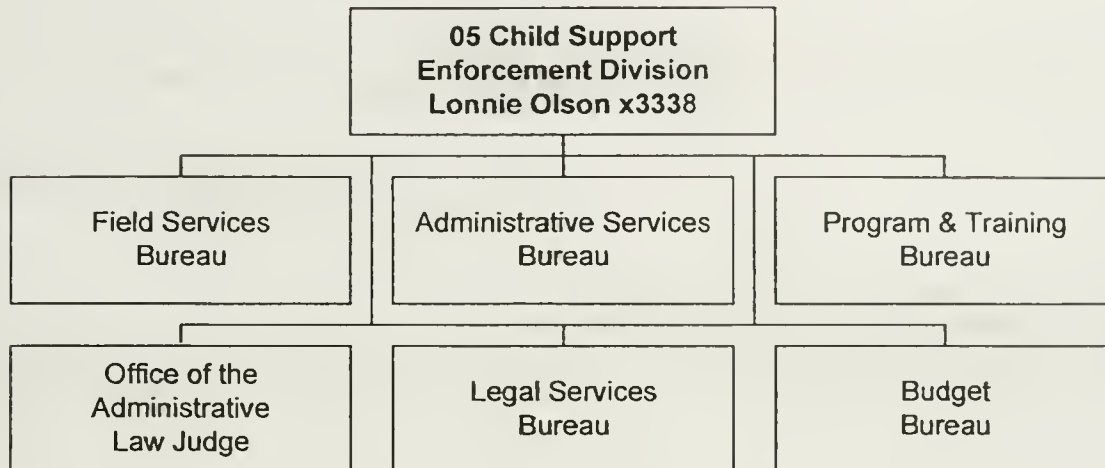
This is a request for \$767,259 in the 2013 biennium of which \$80,000 per year is general fund to continue support services to the Independent Living Project. The department is considering using contracted services, or modified FTE, or a combination of the two in order to provide services to every region in the state.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	(\$495,497)	(\$322,439)
FY 2013	(\$494,144)	(\$322,439)

NP- 55403 - 4% Personal Services GF Budget Reduction -

The Governor has included a 4% reduction in general fund personal services budgets as a part of his budget recommendations. This decision package reduces Child and Family Services by \$989,634 for the biennium, including \$644,878 of general fund, to implement the budget reduction. The reduction includes the elimination of 10.80 FTE. Funding for positions that are 24-7 were exempted from the 4% calculation, which includes the Centralized Intake Unit and on-call Child Protective Specialists.

ECONOMIC SECURITY SERVICES BRANCH-6902 CHILD SUPPORT ENFORCEMENT-05



Program Description - The purpose of the Child Support Enforcement Division (CSED) is to pursue and obtain financial and medical support for children by establishing, enforcing, and collecting financial support owed by obligated parents. Program staff locates absent parents, identifies assets, establishes paternity, and ensures obligated parents maintain medical health insurance coverage for their dependent children. Child support payments are collected for families receiving public assistance and those not on assistance. Services are available to any applicant regardless of income level.

Activities carried out by program staff are authorized in Title 40, Chapter 5, MCA, and are mandated by the federal government in accordance with Title IV-D of the Social Security Act, 42 USC 651 et seq., and 45 CFR, Chapter 3.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2010	PL Base Adjustment Fiscal 2012	New Proposals Fiscal 2012	Total Exec. Budget Fiscal 2012	PL Base Adjustment Fiscal 2013	New Proposals Fiscal 2013	Total Exec. Budget Fiscal 2013
FTE	167.25	0.00	(2.50)	164.75	0.00	(2.50)	164.75
Personal Services	8,879,925	292,350	(144,306)	9,027,969	290,430	(144,306)	9,026,049
Operating Expenses	1,828,678	2,903	0	1,831,581	20,839	0	1,849,517
Debt Service	59,014	0	0	59,014	0	0	59,014
Total Costs	\$10,767,617	\$295,253	(\$144,306)	\$10,918,564	\$311,269	(\$144,306)	\$10,934,580
General Fund	2,088,583	2,042,342	(49,064)	4,081,861	2,052,376	(49,064)	4,091,895
State/Other Special	1,750,682	43,838	0	1,794,520	39,247	0	1,789,929
Federal Special	6,928,352	(1,790,927)	(95,242)	5,042,183	(1,780,354)	(95,242)	5,052,756
Total Funds	\$10,767,617	\$295,253	(\$144,306)	\$10,918,564	\$311,269	(\$144,306)	\$10,934,580

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	(\$7,512)	(\$2,554)
FY 2013	\$10,306	\$3,504

PL- 50001 - Non DoFA Rent Adjustment -

This request increases general fund by \$950 and federal funds by \$1,844 in the 2013 biennium for the renegotiated and inflationary changes for rent on non-state-owned buildings. Reductions due to lease negotiations and increases for leases that could not be reduced were factored into this calculation.

**ECONOMIC SECURITY SERVICES BRANCH-6902
CHILD SUPPORT ENFORCEMENT-05**

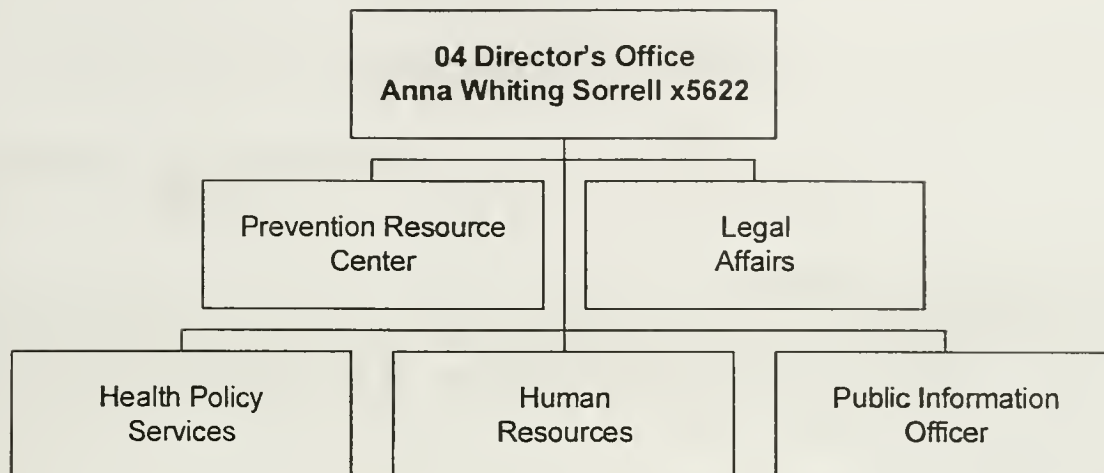
-----**New Proposals**-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	(\$144,306)	(\$49,064)
FY 2013	(\$144,306)	(\$49,064)

NP- 55405 - 4% Personal Services GF Bud Reduction -

The Governor has included a 4% reduction in general fund personal services budgets as a part of his budget recommendations. This decision package reduces Child Support Enforcement by \$144,306, including \$49,064 general fund, in each year of the biennium to implement the budget reduction. The reduction includes the elimination of 2.50 FTE.

**DIRECTOR'S OFFICE-6904
DIRECTOR'S OFFICE-04**



Mission Statement - The Director's Office is responsible for overall policy development, management, and coordination of programs.

The Director supervises the department's three branch managers and the administrator for Public Health and Safety Division as well as the Office of Human Resources, the Office of Legal Affairs, the Prevention Resource Center, and the Public Information Office.

Statutory Authority - Statutory authority is in Title 2, Chapter 15, part 22 and Title 53, Chapter 19, part 3, MCA.

Program Description - The Director's Office provides overall policy development and administrative guidance for the department. Included in the Director's Office are legal affairs, personnel services, public information, the prevention resource center, and the AmeriCorps*VISTA Program. The Department of Public Health and Human Services Statewide Advisory Council, the Native American Advisory Council, and the Montana Health Coalition are administratively attached and the director serves on the Interagency Coordinating Council for State Prevention Programs, which is attached to the Governor's Office.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2010	PL Base Adjustment Fiscal 2012	New Proposals Fiscal 2012	Total Exec. Budget Fiscal 2012	PL Base Adjustment Fiscal 2013	New Proposals Fiscal 2013	Total Exec. Budget Fiscal 2013
TE	41.25	0.00	(1.00)	40.25	0.00	(1.00)	40.25
Personal Services	3,772,476	(615,828)	(121,272)	3,035,376	(618,399)	(120,969)	3,033,108
Operating Expenses	980,185	(35,854)	0	944,331	(35,227)	0	944,958
Total Costs	\$4,752,661	(\$651,682)	(\$121,272)	\$3,979,707	(\$653,626)	(\$120,969)	\$3,978,066
General Fund	1,992,454	(309,819)	(43,646)	1,638,989	(311,000)	(43,646)	1,637,808
State/Other Special	439,899	(54,781)	0	385,118	(54,659)	0	385,240
Federal Special	2,320,308	(287,082)	(77,626)	1,955,600	(287,967)	(77,323)	1,955,018
Total Funds	\$4,752,661	(\$651,682)	(\$121,272)	\$3,979,707	(\$653,626)	(\$120,969)	\$3,978,066

**DIRECTOR'S OFFICE-6904
DIRECTOR'S OFFICE-04**

-----**Present Law Adjustments**-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	(\$27,509)	(\$27,509)
FY 2013	(\$27,509)	(\$27,509)

PL- 55140 - 17-7-140 Operations Efficiencies -

This decision package reduces the general fund base budget \$27,509 for each year of the biennium for the Director's Office. This amount annualizes and makes permanent the 17-7-140, MCA, 5% budget reduction put in place in the 2011 biennium. The Director's Office will make operations reductions through efficiencies in the areas of travel, conferences, supplies, and contracting.

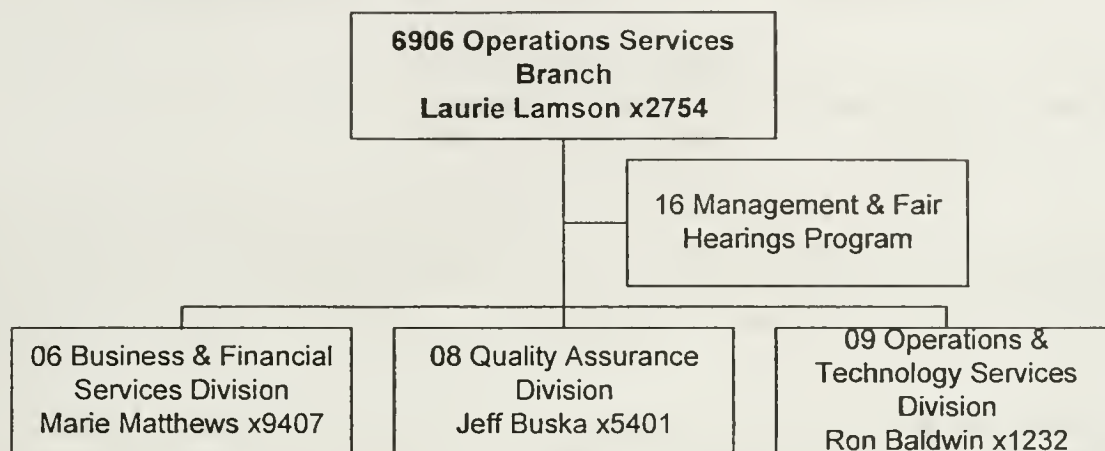
-----**New Proposals**-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	(\$121,272)	(\$43,646)
FY 2013	(\$120,969)	(\$43,646)

NP- 55404 - 4% FTE Reduction -

The Governor has included a 4% reduction in general fund personal services as part of his budget recommendations. This decision package reduces the Director's Office by \$43,646 in FY 2012 and FY 2013 to implement the budget reduction for the biennium. Federal funds are also reduced as the general fund is used as match.

OPERATIONS SERVICES BRANCH-6906

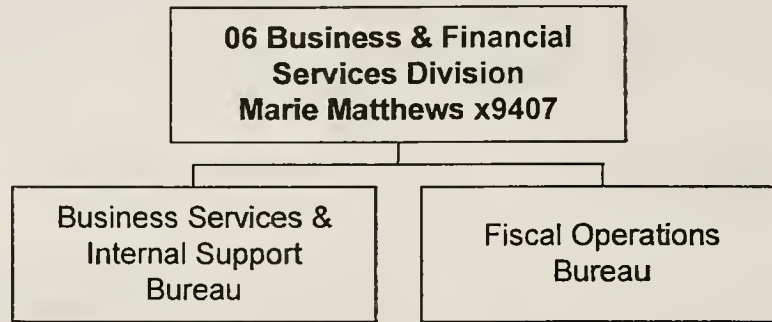


Mission Statement - To manage the Operations Branch of the department by providing, maintaining, and supporting systems and processes of the department in the areas of financial, budget, and technology management; quality assurance; and fair hearings.

Statutory Authority - Statutory authority is in Title 17, Chapter 1, part 1, and Chapter 2, MCA, and 45 CFR Subtitle A, Part 92, Subpart C92.2, and Title 50 Chapter 15, MCA, as well as Title 40, MCA, and Title IV of the Social Security Act, Section 06, P.L. 96-265.

Agency Proposed Budget							
Budget Item	Base Budget Fiscal 2010	PL Base Adjustment Fiscal 2012	New Proposals Fiscal 2012	Total Exec. Budget Fiscal 2012	PL Base Adjustment Fiscal 2013	New Proposals Fiscal 2013	Total Exec. Budget Fiscal 2013
FTE	250.84	0.00	3.50	254.34	0.00	3.50	254.34
Personal Services	14,454,328	502,146	175,703	15,132,177	495,776	175,105	15,125,209
Operating Expenses	25,194,211	619,077	(79,772)	25,733,516	1,085,429	(129,772)	26,149,868
Equipment & Intangible Assets	110,563	0	0	110,563	0	0	110,563
Grants	554,578	0	0	554,578	0	0	554,578
Debt Service	148,871	0	0	148,871	0	0	148,871
Total Costs	\$40,462,551	\$1,121,223	\$95,931	\$41,679,705	\$1,581,205	\$45,333	\$42,089,089
General Fund	15,604,180	(162,681)	(124,913)	15,316,586	56,318	(124,913)	15,535,585
State/Other Special	1,966,753	329,881	183,545	2,480,179	333,688	182,804	2,483,245
Federal Special	22,891,618	954,023	37,299	23,882,940	1,191,199	(12,558)	24,070,259
Total Funds	\$40,462,551	\$1,121,223	\$95,931	\$41,679,705	\$1,581,205	\$45,333	\$42,089,089

**OPERATIONS SERVICES BRANCH-6906
BUSINESS & FINANCIAL SERVICES DIVISION-06**



Program Description - The division provides support services for the department, including financial and accounting oversight, cash management, preparation, and filing of federal financial reports, purchasing supplies and equipment, payroll processing, accounts payable, facility reimbursement, audit coordination, lease management, mail handling, property management, and records management. The division also provides leadership and guidance in the development and implementation of accounting policies and procedures and best business practices.

Statutory authority is in Title 17, Chapter 1, part 1, and Chapter 2, MCA, and 45 CFR Subtitle A, Part 92, Subpart C92.2, and Title 50 Chapter 15 MCA.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2010	PL Base Adjustment Fiscal 2012	New Proposals Fiscal 2012	Total Exec. Budget Fiscal 2012	PL Base Adjustment Fiscal 2013	New Proposals Fiscal 2013	Total Exec. Budget Fiscal 2013
FTE	66.50	0.00	0.00	66.50	0.00	0.00	66.50
Personal Services	3,097,980	368,236	0	3,466,216	365,939	0	3,463,919
Operating Expenses	5,316,086	441,139	0	5,757,225	161,281	0	5,477,367
Equipment & Intangible Assets	9,653	0	0	9,653	0	0	9,653
Debt Service	5,674	0	0	5,674	0	0	5,674
Total Costs	\$8,429,393	\$809,375	\$0	\$9,238,768	\$527,220	\$0	\$8,956,613
General Fund	3,330,441	337,404	0	3,667,845	202,524	0	3,532,965
State/Other Special	634,216	42,640	0	676,856	39,557	0	673,773
Federal Special	4,464,736	429,331	0	4,894,067	285,139	0	4,749,875
Total Funds	\$8,429,393	\$809,375	\$0	\$9,238,768	\$527,220	\$0	\$8,956,613

-----**Present Law Adjustments**-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$70,000	\$27,331
FY 2013	\$70,000	\$27,331

PL- 6003 - Internal Controls Contract Annualization -

This request provides for \$70,000 in contracted services funds for the Business and Financial Services Division to provide additional assistance in enhancing the department's internal control structure. These funds were appropriated by the 2009 Legislature for FY 2011. Funding for this decision package is \$27,331 general fund, \$10,606 state special revenue, and \$32,063 federal funds each year of the biennium.

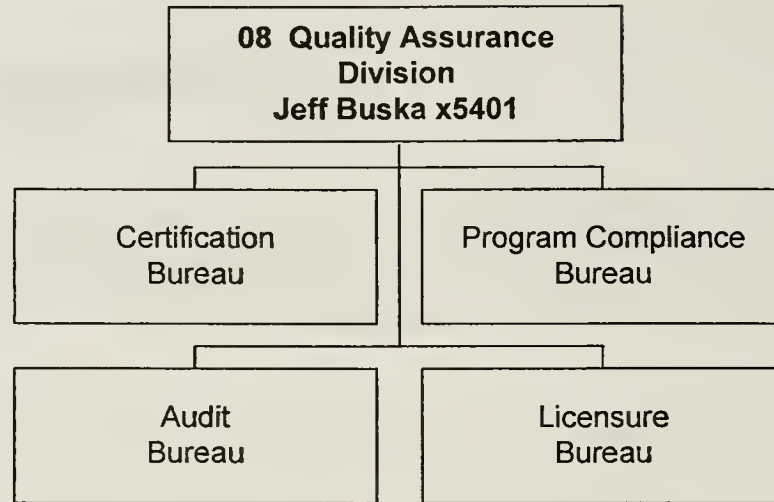
**OPERATIONS SERVICES BRANCH-6906
BUSINESS & FINANCIAL SERVICES DIVISION-06**

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	(\$25,031)	(\$25,031)
FY 2013	(\$25,031)	(\$25,031)

PL- 55140 - 17-7-140 Reduction - Operations Reduction -

This decision package reduces the general fund base budget by \$25,031 each year of the biennium for the Business & Financial Services Division. This amount annualizes and makes permanent the 17-7-140, MCA, 5% budget reduction put in place in the 2011 biennium. The division will make operations reductions in the areas of travel, conferences, supplies, newspaper ads, cell phone use, postage, and contracting.

OPERATIONS SERVICES BRANCH-6906 QUALITY ASSURANCE DIVISION-08



Program Description - The role of the Quality Assurance Division (QAD) is to protect the safety and well being of Montanans by monitoring and ensuring the integrity and cost-effectiveness of department programs.

The division fulfills its role by: licensing, registering, and certifying health care, day care, and residential services; detecting and investigating abusive or fraudulent practices within the Medicaid and Supplemental Nutrition Assistance Program (SNAP, previously food stamps) and initiating recovery efforts; reducing Medicaid costs by identifying other insurers or parties responsible for paying a beneficiary's medical expenses; providing internal and independent audits for DPHHS programs; providing independent fair hearings for clients and providers participating in DPHHS programs; providing informal dispute resolution conferences for nursing facilities that dispute deficiency citations; monitoring and evaluating health maintenance organizations (HMOs) for quality assurance and network adequacy; maintaining a registry of certified nurse aides; approving and monitoring training programs for nurse aides; operating the Certificate of Need program; ensuring department compliance with the federal Health Information Portability and Accountability Act; and operating the medical marijuana registry.

The division has field offices in Anaconda, Billings, Bozeman, Great Falls, Havre, Hinsdale, Kalispell, Miles City, and Missoula.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2010	PL Base Adjustment Fiscal 2012	New Proposals Fiscal 2012	Total Exec. Budget Fiscal 2012	PL Base Adjustment Fiscal 2013	New Proposals Fiscal 2013	Total Exec. Budget Fiscal 2013
FTE	114.24	0.00	3.50	117.74	0.00	3.50	117.74
Personal Services	6,224,216	279,534	175,703	6,679,453	278,036	175,105	6,677,357
Operating Expenses	1,637,079	(19,784)	(40,307)	1,576,988	(8,523)	(90,307)	1,538,249
Grants	554,578	0	0	554,578	0	0	554,578
Total Costs	\$8,415,873	\$259,750	\$135,396	\$8,811,019	\$269,513	\$84,798	\$8,770,184
General Fund	2,318,099	109,020	(85,448)	2,341,671	110,794	(85,448)	2,343,445
State/Other Special	424,193	61,042	183,545	668,780	61,487	182,804	668,484
Federal Special	5,673,581	89,688	37,299	5,800,568	97,232	(12,558)	5,758,255
Total Funds	\$8,415,873	\$259,750	\$135,396	\$8,811,019	\$269,513	\$84,798	\$8,770,184

OPERATIONS SERVICES BRANCH-6906

QUALITY ASSURANCE DIVISION-08

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	(\$49,771)	(\$49,771)
FY 2013	(\$49,771)	(\$49,771)

PL- 55140 - 17-7-140 Operational Reductions -

This decision package reduces the general fund base budget by \$49,771 each year of the biennium for the Quality Assurance Division. This amount annualizes and makes permanent the 17-7-140, MCA, 5% budget reduction put in place in the 2011 biennium. The division will make operations reductions in the areas of travel, conferences, supplies, newspaper ads, cell phone use, postage, and contracting.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$16,649	\$4,753
FY 2013	\$27,490	\$7,846

PL- 80003 - Non DofA rent adjustment -

This Quality Assurance Division request is for \$16,649 total funds, including \$4,753 in general fund in FY 2012 and for \$27,490 total funds, including \$7,846 in general fund in FY2013 to pay the leases on non-state owned buildings.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$29,620	\$0
FY 2013	\$29,620	\$0

PL- 80005 - Medical Marijuana Program Annualization -

This decision package requests \$29,620 increased funding authority in state special revenue funds each year of the biennium to the Quality Assurance Division for the Medical Marijuana program. The funds will be used for increases in the participants in the program and for added cost in the production and issuance of registry identification cards.

-----New Proposals-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$4,895	(\$85,448)
FY 2013	\$4,656	(\$85,448)

NP- 55408 - 4% Personal Services GF Reduction -

The Governor has included a 4% reduction in general fund personal services budgets as a part of his budget recommendations. This decision package reduces the Quality Assurance Division by \$170,896 in general fund, increases state special revenue funding by \$205,706, and reduces federal funding by \$25,259 for the 2013 biennium to implement this reduction. The general fund savings will be realized through reassignment of three positions from a unit paid through a combination of general, state special revenue, and federal funds to units paid with state special revenue funds or federal funds. The overall increase of \$9,551 in total funds is a result of a change in classification of these positions.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$50,000	\$0
FY 2013	\$0	\$0

NP- 80001 - Nurse Aide Registry Database -

This decision package is for \$50,000 in federal title 18 funds in FY2012 to support an electronic database to track the federal requirement for a Nurse's Aide Registry, a registry the Quality Assurance Division administers for Certified Nurse Aides in Montana.

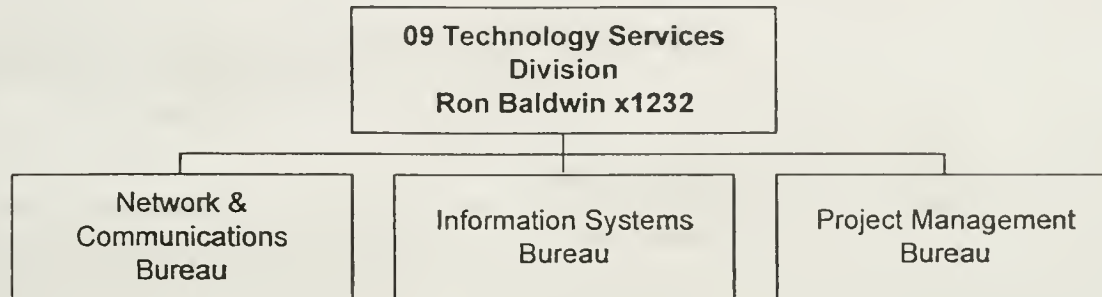
OPERATIONS SERVICES BRANCH-6906
QUALITY ASSURANCE DIVISION-08

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$80,501	\$0
FY 2013	\$80,142	\$0

NP- 80002 - Medical Marijuana Program Staffing -

This decision package requests \$160,643 increased state special revenue funding authority for the 2013 biennium to the Quality Assurance Division for staffing adjustments for the Medical Marijuana program. The funds will be used to address staffing needs for processing of the applications for patients and care givers. This request is for the difference in funding between base year costs associated with temporary personnel services and the estimated cost for 3.50 permanent FTE.

OPERATIONS SERVICES BRANCH-6906 TECHNOLOGY SERVICES DIVISION-09



Program Description - The Technology Services Division is responsible for the management, implementation and operations of information technology (IT) systems and infrastructure that directly support department programs. The division administrator, who also serves as the department's chief information officer, is responsible for implementing strategic IT goals and objectives. TSD is made up of three bureaus that provide a wide range of IT services including computer programming, computer help desk functions, database support, web development, enterprise architecture, project management, IT contract management, data security, computer, and network services.

Statutory authority is in Title 17 and Title 40, MCA, and Title IV of the Social Security Act, Section 06, P.L. 96-265.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2010	PL Base Adjustment Fiscal 2012	New Proposals Fiscal 2012	Total Exec. Budget Fiscal 2012	PL Base Adjustment Fiscal 2013	New Proposals Fiscal 2013	Total Exec. Budget Fiscal 2013
FTE	56.10	0.00	0.00	56.10	0.00	0.00	56.10
Personal Services	4,196,624	(258,815)	0	3,937,809	(260,421)	0	3,936,203
Operating Expenses	18,102,989	199,959	(39,465)	18,263,483	934,793	(39,465)	18,998,317
Equipment & Intangible Assets	100,910	0	0	100,910	0	0	100,910
Debt Service	143,197	0	0	143,197	0	0	143,197
Total Costs	\$22,543,720	(\$58,856)	(\$39,465)	\$22,445,399	\$674,372	(\$39,465)	\$23,178,627
General Fund	9,529,407	(653,430)	(39,465)	8,836,512	(300,939)	(39,465)	9,189,003
State/Other Special	877,354	221,552	0	1,098,906	228,057	0	1,105,411
Federal Special	12,136,959	373,022	0	12,509,981	747,254	0	12,884,213
Total Funds	\$22,543,720	(\$58,856)	(\$39,465)	\$22,445,399	\$674,372	(\$39,465)	\$23,178,627

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	(\$17,518)	(\$17,518)
FY 2013	(\$17,518)	(\$17,518)

PL- 55141 - 17-7-140 Reduction - Operations Reduction -
 This decision package reduces the general fund base budget by \$17,518 each year of the biennium for the Technology Services Division. This amount annualizes and makes permanent the 17-7-140, MCA, 5% budget reduction put in place in the 2011 biennium. The division will make operations reductions in areas of travel, conferences, supplies, newspaper ads, cell phone use, postage, and contracting.

OPERATIONS SERVICES BRANCH-6906 TECHNOLOGY SERVICES DIVISION-09

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	(\$40,368)	(\$40,368)
FY 2013	(\$40,368)	(\$40,368)

PL- 55142 - 17-7-140 Reductions - Systems Reductions M&E -

This decision package reduces the general fund base budget by \$40,368 each year of the biennium for the Technology Services Division. This amount annualizes and makes permanent the 17-7-140, MCA, 5% budget reduction put in place in the 2011 biennium. The division will make operations reductions by reducing services provided in several contracts affecting agency data systems, such as: the Child and Adult Protective Services system; the systems for the Enforcement and Recovery of Child Support; and Montana Access.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	(\$28,462)	(\$28,462)
FY 2013	(\$28,462)	(\$28,462)

PL- 55143 - 17-7-140 Reductions - Systems Reductions IVR Ports -

This decision package reduces the general fund base budget by \$28,462 each year of the biennium for the Technology Services Division. This amount annualizes and makes permanent the 17-7-140, MCA, 5% budget reduction put in place in the 2011 biennium. The division will make operations reductions by reducing the number of ports (or phone lines) available on the Montana Access Interactive Voice Response (IVR) 1-800 system used by Montana citizens who are recipients of cash benefits paid on the agency's Montana Access debit card to call in to verify their balances and benefits.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$1,198,975	\$97,936
FY 2013	\$1,202,475	\$99,686

PL- 90004 - Systems M&E Contract Increases -

This request is for \$197,622 general fund, \$335,352 state special revenue funds, and \$1,868,476 federal funds authority for the 2013 biennium to the Technology Services Division. These funds support anticipated contractual cost increases for the large data systems currently supported under the Information Technology Facilities Management, Child and Adult Protective Services, and the system for the Enforcement and Recovery of Child Support contracts. Changes to federal and state program reporting requirements, rules, regulations, and identified system efficiencies and repairs are traditionally managed through a maintenance and enhancement contract. The division currently holds three contracts for legacy systems maintenance and enhancements (M&E). All of these contracts will have reached their expiration dates by the end of FY 2011.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$0	\$0
FY 2013	\$642,288	\$310,716

PL- 90007 - TANF/SNAP Systems M&E -

This request is for \$310,716 general fund and \$331,572 federal funds authority to the Technology Services Division for FY 2013 for anticipated contractual costs for the maintenance and enhancement of the TANF and SNAP eligibility determination and benefits payment systems. Changes to federal and state program reporting requirements, rules, regulations, and identified system efficiencies and repairs are traditionally managed through a maintenance and enhancement contract.

OPERATIONS SERVICES BRANCH-6906
TECHNOLOGY SERVICES DIVISION-09

-----New Proposals-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	(\$39,465)	(\$39,465)
FY 2013	(\$39,465)	(\$39,465)

NP- 55409 - 4% Personal Services GF Reduction -

The Governor has included a 4% reduction in general fund personal services as part of his budget recommendations. This decision package reduces the Technology Services Division by \$39,465 each year of the biennium to implement the budget reduction.

OPERATIONS SERVICES BRANCH-6906 MANAGEMENT & FAIR HEARINGS-16

**16 Management & Fair
Hearings
Bridgitt Erickson x2472**

Program Description - The Management and Fair Hearings Office (MFH) is responsible for all the oversight and management of the Operations Branch of the Department. MFH is made up of two offices:

The Office of Budget & Finance manages the department's budgeting processes and provides guidance and support to the department's 11 divisions concerning the reporting and operation of their financial structure, as well as overseeing the day-to-day management of appropriations and operating budget changes for the agency. The office ensures that uniform budgeting processes are used throughout the department and promotes standards that present complex budgeting and accounting records in the most simplified manner.

The Office of Fair Hearings provides impartial administrative hearings for individuals or entities who have been negatively impacted by a program administered by the Department. The Office of Fair Hearings does not have jurisdiction over issues determined by the Child Support Enforcement Division.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2010	PL Base Adjustment Fiscal 2012	New Proposals Fiscal 2012	Total Exec. Budget Fiscal 2012	PL Base Adjustment Fiscal 2013	New Proposals Fiscal 2013	Total Exec. Budget Fiscal 2013
FTE	14.00	0.00	0.00	14.00	0.00	0.00	14.00
Personal Services	935,508	113,191	0	1,048,699	112,222	0	1,047,730
Operating Expenses	138,057	(2,237)	0	135,820	(2,122)	0	135,935
Total Costs	\$1,073,565	\$110,954	\$0	\$1,184,519	\$110,100	\$0	\$1,183,665
General Fund	426,233	44,325	0	470,558	43,939	0	470,172
State/Other Special	30,990	4,647	0	35,637	4,587	0	35,577
Federal Special	616,342	61,982	0	678,324	61,574	0	677,916
Total Funds	\$1,073,565	\$110,954	\$0	\$1,184,519	\$110,100	\$0	\$1,183,665

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	(\$1,266)	(\$1,266)
FY 2013	(\$1,266)	(\$1,266)

PL- 55140 - 17-7-140 Operations Reduction -

This decision package reduces the general fund base budget by \$1,266 each year of the biennium for the Management and Fair Hearings program. This amount annualizes and makes permanent the 17-7-140, MCA, 5% budget reduction put in place in the 2011 biennium. The program will make operations reductions in the areas of travel, conferences, supplies, newspaper ads, cell phone use, postage, and contracting.

PUBLIC HEALTH-6907

PUBLIC HEALTH & SAFETY DIVISION-07

6907 Public Health & Safety
Jane Smilie x0303

Mission Statement - The mission of the Public Health and Safety Division (PHSD) is to improve the health of Montanans to the highest possible level.

Program Description - Program Description - The division provides a wide range of public health services to individuals and communities that are aimed at prevention of disease and promotion of health. Services are provided through nearly 500 contracts with a broad range of private and public providers, including local and tribal public health departments, clinics, hospitals and other community-based organizations. Programs administered by the division include, but are not limited to:

- 1) Clinical and environmental laboratory services;
- 2) Chronic and communicable disease prevention and control;
- 3) Maternal and child public health services;
- 4) Public health emergency preparedness;
- 5) Women's, Infants and Children's Special Nutrition Program (WIC);
- 6) Food and Consumer Safety; and
- 7) Emergency Medical Services.

Statutory Authority - Statutory authority for public health functions is in Title 50, MCA, including local public health activities. Rules concerning public health programs are in Title 37 of the Administrative Rules of Montana.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2010	PL Base Adjustment Fiscal 2012	New Proposals Fiscal 2012	Total Exec. Budget Fiscal 2012	PL Base Adjustment Fiscal 2013	New Proposals Fiscal 2013	Total Exec. Budget Fiscal 2013
FTE	193.50	0.00	2.50	196.00	0.00	2.50	196.00
Personal Services	10,896,808	547,108	206,887	11,650,803	545,781	206,224	11,648,813
Operating Expenses	12,741,886	78,531	602,028	13,422,445	83,464	602,028	13,427,378
Equipment & Intangible Assets	277,242	0	0	277,242	0	0	277,242
Grants	22,355,513	(39,384)	732,434	23,048,563	(39,384)	734,507	23,050,636
Benefits & Claims	13,892,311	0	0	13,892,311	0	0	13,892,311
Total Costs	\$60,163,760	\$586,255	\$1,541,349	\$62,291,364	\$589,861	\$1,542,759	\$62,296,380
General Fund	3,396,584	34,187	(65,245)	3,365,526	31,790	(65,245)	3,363,129
State/Other Special	18,024,188	304,801	0	18,328,989	311,676	0	18,335,864
Federal Special	38,742,988	247,267	1,606,594	40,596,849	246,395	1,608,004	40,597,387
Total Funds	\$60,163,760	\$586,255	\$1,541,349	\$62,291,364	\$589,861	\$1,542,759	\$62,296,380

PUBLIC HEALTH-6907
PUBLIC HEALTH & SAFETY DIVISION-07

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	(\$3,212)	(\$3,212)
FY 2013	(\$3,212)	(\$3,212)

PL- 55140 - 17-7-140 Reductions - Optimizing Fed Funding BRFSS -

This request reduces the general fund support for Behavioral Risk Factor Surveillance System (BRFSS) by \$3,212 per year of the biennium. This amount represents the 5% budget reduction per 17-7-140, MCA, that is above the amount removed from the base FY 2010 expenditure level. The Public Health and Safety Division will make reductions in expenditures in the areas of travel, conferences, supplies, newspaper ads, cell phone use, postage and contracting.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	(\$39,384)	(\$39,384)
FY 2013	(\$39,384)	(\$39,384)

PL- 55141 - 17-7-140 Reduction - Optimizing Fed Poison Cont -

This request reduces the general fund support for Poison Control by \$39,384 per year of the biennium. This amount represents the 5% budget reduction per 17-7-140, MCA, that is above the amount removed from the base FY 2010 expenditure level. The Public Health and Safety Division will make reductions in expenditures in the areas of travel, conferences, supplies, newspaper ads, cell phone use, postage and contracting.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	(\$4,947)	(\$4,947)
FY 2013	(\$4,947)	(\$4,947)

PL- 55142 - 17-7-140 Reductions Operations Efficiencies -

This decision package reduces the general fund base budget \$4,947 each year of the biennium for the Public Health and Safety Division. This amount represents the 5% budget reduction per 17-7-140, MCA, that is above the amount removed from the base FY 2010 expenditure level. The Public Health and Safety Division will make reductions in expenditures in the areas of travel, conferences, supplies, newspaper ads, cell phone use, postage and contracting.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$125,000	\$0
FY 2013	\$125,000	\$0

PL- 70004 - Increased authority for State Laboratory -

This request adds \$125,000 each year of the biennium in state special revenue to meet projected increases in DPHHS laboratory supplies and other operating expenses. The expenses for laboratory supplies and other operating expenses are expected to increase an estimated 4% or \$125,000 each year. This estimate is based on maintaining current level test volumes. Increased expenses will be covered by laboratory fees.

PUBLIC HEALTH-6907
PUBLIC HEALTH & SAFETY DIVISION-07

-----**New Proposals**-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	(\$65,245)	(\$65,245)
FY 2013	(\$65,245)	(\$65,245)

NP- 55407 - 4% Personal Services GF Bud Reduction -

The Governor has included a 4% reduction in general fund personal services budgets as part of his budget recommendations. This decision package reduces the Public Health and Safety Division by \$65,245 per year of the biennium to implement the budget reduction. This reduction includes the elimination of 1.00 FTE.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$71,453	\$0
FY 2013	\$71,453	\$0

NP- 70105 - Health Professions Loan Repayment Program -

This request adds \$71,453 each year of the biennium in federal funds to support the loan repayment program for health professionals, who practice in designated shortage areas, accept Medicaid and Medicare, and offer sliding scale payments. The funds will be used to pay for student loans up to \$15,000 per year for two years.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$348,942	\$0
FY 2013	\$350,000	\$0

NP- 70106 - Asthma Control Program -

This request adds 2.50 FTE and approximately \$350,000 each year of the biennium in federal funds to address asthma from a public health perspective. DPHHS received a cooperative agreement award from the Centers for Disease Control and Prevention for approximately \$350,000 per year. These funds are used to: support primary care practices to improve the quality of asthma care; provide public education regarding tobacco use/cessation related to asthma; and for a school grant program.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$846,199	\$0
FY 2013	\$846,551	\$0

NP- 70107 - Colorectal Cancer Screening -

This request adds 1.00 FTE and \$1.7 million of federal funds in the biennium to support the colorectal cancer screening program. DPHHS received a cooperative agreement from the Centers for Disease Control and Prevention to implement the colorectal cancer screening program for under-insured and uninsured Montanans aged 50 to 64 years. This program is designed to provide public awareness regarding screening and to implement policy and systems approaches to increase screening among the broader Montana population.

**PUBLIC HEALTH-6907
PUBLIC HEALTH & SAFETY DIVISION-07**

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$300,000	\$0
FY 2013	\$300,000	\$0

NP- 70108 - WIC Infrastructure Funding -

This request adds \$300,000 each year of the biennium in federal funding to support Women, Infants, and Children (WIC) infrastructure efforts. These funds will be used for the development and support of projects, including rebranding of WIC educational materials, promotion of locally grown produce, and working with farmers markets.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$40,000	\$0
FY 2013	\$40,000	\$0

NP- 70109 - Diabetes Prevention -

This request adds \$40,000 each year of the biennium in federal funding to support Diabetes Prevention. DPHHS received a cooperative agreement from the Centers for Disease Control and Prevention to support the delivery of the department's cardiovascular disease and diabetes prevention program. This program brings lifestyle intervention to remote rural communities through tele-health videoconferencing. These funds are also being used to support training for health professionals from Tribal Health Departments and Indian Health Service Units regarding implementing the diabetes prevention program lifestyle curriculum.

MEDICAID & HEALTH SERVICES BRANCH-6911

**6911 Medicaid & Health
Services Branch
Mary Dalton x4084**

**Medicaid Systems
Support Program**

**Healthy Montana
Kids Program**

**10 Developmental
Services Division
Bob Runkel x9055**

**11 Health Resources
Division
Terry Krantz x4458**

**22 Senior & Long Term
Care Division
Kelly Williams x4147**

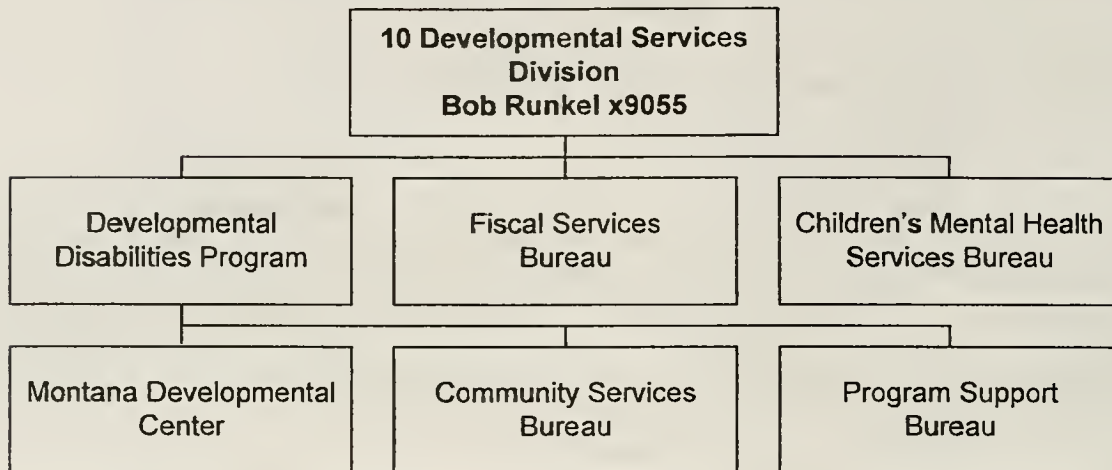
**33 Addictive & Mental
Disorders Division
Lou Thompson x3969**

Mission Statement - Coordinate Medicaid and Health Services Programs to optimize efficient delivery of services.

Statutory Authority - Title 53 Social Services and Institutions and Title 2 Chapter 4, MCA

Agency Proposed Budget							
Budget Item	Base Budget Fiscal 2010	PL Base Adjustment Fiscal 2012	New Proposals Fiscal 2012	Total Exec. Budget Fiscal 2012	PL Base Adjustment Fiscal 2013	New Proposals Fiscal 2013	Total Exec. Budget Fiscal 2013
TE	1,298.32	0.00	1.80	1,300.12	0.00	(2.49)	1,295.83
Personal Services	67,485,627	4,280,855	(18,135)	71,748,347	4,307,481	(290,148)	71,502,960
Operating Expenses	42,292,043	3,365,106	250,892	45,908,041	4,201,513	228,178	46,721,734
Equipment & Intangible Assets	180,673	0	0	180,673	0	0	180,673
Grants	14,244,574	280,196	0	14,524,770	296,707	0	14,541,281
Benefits & Claims	909,270,789	197,315,062	4,755,397	1,111,341,248	237,670,370	6,063,547	1,153,004,706
Debt Service	13,104	0	0	13,104	0	0	13,104
Total Costs	\$1,033,486,810	\$205,241,219	\$4,988,154	\$1,243,716,183	\$246,476,071	\$6,001,577	\$1,285,964,458
General Fund	213,499,708	119,829,308	(2,487,667)	330,841,349	111,184,403	(2,307,492)	322,376,619
State/Other Special	91,819,929	18,657,581	1,498,838	111,976,348	38,668,889	1,511,387	132,000,205
Federal Special	728,167,173	66,754,330	5,976,983	800,898,486	96,622,779	6,797,682	831,587,634
Total Funds	\$1,033,486,810	\$205,241,219	\$4,988,154	\$1,243,716,183	\$246,476,071	\$6,001,577	\$1,285,964,458

MEDICAID & HEALTH SERVICES BRANCH-6911 **DISABILITY SERVICES DIVISION-10**



Program Description - The Developmental Services Division (DSD) assists Montanans with disabilities and children with mental health needs to live, work, and participate in their communities. The division includes the Developmental Disabilities Program, the Montana Developmental Center, and the Children's Mental Health Bureau. The division provides or contracts for institutional care, inpatient care, residential services, home and community based services, and case management.

The Developments Disabilities Program operates three home and community based Medicaid waivers, the state's IDEA early intervention program, and the state facility for behavioral treatment at the Montana Developmental Center in Boulder. These services include transportation, residential and work habilitation, adaptive equipment, and some medical services not covered by state plan Medicaid.

The Children's Mental Health Bureau manages a continuum of services to address the needs of youth with serious emotional disturbance and their families. These services are funded by Medicaid and offered by Medicaid enrolled providers. In addition, the bureau builds linkages to other child serving agencies to support the development of a system of care for youth.

Statutory Title 53, MCA, 29 U.S.C. 721 et. seq., 29 U.S.C. 796, et. seq., 29 U.S.C. 774, 29 U.S.C. 777b, 29 U.S.C. 2201 et. seq., 42 U.S.C. 75, 6602, 72 U.S.C. 1300, 42 CFR 441.302(b), 42 CFR 441.302(g), 45 CFR 74.62, and 34 CFR Part 303.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2010	PL Base Adjustment Fiscal 2012	New Proposals Fiscal 2012	Total Exec. Budget Fiscal 2012	PL Base Adjustment Fiscal 2013	New Proposals Fiscal 2013	Total Exec. Budget Fiscal 2013
FTE	367.92	0.00	(8.71)	359.21	0.00	(13.00)	354.92
Personal Services	17,811,546	1,392,992	(341,765)	18,862,773	1,407,044	(611,898)	18,606,692
Operating Expenses	6,256,198	(130,485)	(21,147)	6,104,566	(115,775)	(31,406)	6,109,017
Grants	400,941	0	0	400,941	0	0	400,941
Benefits & Claims	164,418,427	18,426,020	1,854,314	184,698,761	19,912,028	3,162,464	187,492,919
Total Costs	\$188,887,112	\$19,688,527	\$1,491,402	\$210,067,041	\$21,203,297	\$2,519,160	\$212,609,569
General Fund	53,214,370	23,044,875	(1,753,663)	74,505,582	24,322,800	(1,576,982)	75,960,188
State/Other Special	5,607,178	0	0	5,607,178	0	0	5,607,178
Federal Special	130,065,564	(3,356,348)	3,245,065	129,954,281	(3,119,503)	4,096,142	131,042,203
Total Funds	\$188,887,112	\$19,688,527	\$1,491,402	\$210,067,041	\$21,203,297	\$2,519,160	\$212,609,569

MEDICAID & HEALTH SERVICES BRANCH-6911 **DISABILITY SERVICES DIVISION-10**

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$0	\$688,470
FY 2013	\$0	\$1,346,538

PL- 10001 - FMAP Adj - DD & CMH -

This request provides an increase in general fund and a decrease in federal Medicaid funds over the biennium due to a projected change in Federal Medical Assistance Percentage (FMAP) rates for FY 2012 and FY 2013 as they apply to Developmental Disabilities Program and Children's Mental Health Program benefit expenditures. The decrease in federal funds is equal to the increase in general fund in the amount of \$688,470 in FY 2012 and \$1,346,538 in FY 2013.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$8,821,708	\$2,982,619
FY 2013	\$9,830,490	\$3,367,926

PL- 10002 - Med Ben - CMH Caseload -

This request is for general fund and federal Medicaid funds to support projected caseload increases for children receiving mental health services. The funding request is for \$18.7 million total funds, \$6.4 million general fund, over the 2013 biennium.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$7,591,366	\$2,564,364
FY 2013	\$8,068,592	\$2,764,300

PL- 10003 - Med Ben - DD Caseload -

This request is for general fund and federal Medicaid funds to support ongoing Medicaid caseload and service utilization projections for individuals receiving Developmental Disabilities Program services, including comprehensive waiver, community services waiver and autism waiver services. The funding request is for \$15.7 million total funds, \$5.3 million general fund, over the 2013 biennium.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$927,631	\$927,631
FY 2013	\$933,187	\$933,187

PL- 10006 - Restore OT/Holidays Worked -

This request provides \$1.9 million general fund over the 2013 biennium to adjust for zero-based personal services funding. This is not a request for new funding. This request is necessary to maintain minimum Montana Developmental Center (MDC) staffing requirements at this 24-hour day, 7-days-a-week facility and to maintain Medicaid certification.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$6,312	\$2,015
FY 2013	\$15,462	\$4,764

PL- 10007 - Non DofA rent adjustment -

The Developmental Services Division requests \$21,774 total funds, \$6,779 general fund, over the biennium for rent increases for offices in non-state owned buildings. The increases are negotiated in the lease agreements for field offices across the state.

MEDICAID & HEALTH SERVICES BRANCH-6911 **DISABILITY SERVICES DIVISION-10**

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$2,012,946	\$679,973
FY 2013	\$2,012,946	\$689,636

PL- 10008 - Med Ben - Annualization of Service Expansion -

This request is for general fund and federal Medicaid funds to support FY 2011 Medicaid caseload levels for individuals receiving Developmental Disabilities Program services, including comprehensive waiver and autism waiver services. These individuals entered waiver services during the 2011 biennium; however, their annual cost plans were not part of base budget due to timing. The funding request is for \$4.0 million total funds, \$1.4 million general fund, over the 2013 biennium.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$0	\$165,013
FY 2013	\$0	\$168,077

PL- 10009 - FMAP Adj - DD Operating Costs -

This request provides a \$0.3 million increase in general fund and a \$0.3 million decrease in federal Medicaid funds over the biennium due to a projected change in Federal Medical Assistance Percentage (FMAP) rates for FY 2012 and FY 2013 as they apply to Developmental Disabilities Program operating costs.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	(\$924,237)	(\$924,237)
FY 2013	(\$924,237)	(\$924,237)

PL- 10010 - Reduction to DSD Base -

In FY 2010, Developmental Services Division experienced increased service needs in the Comprehensive Services Waiver (for residential, group home, and day treatment services) beyond the budgeted benefit appropriation. Funds were available in other areas of the division. This negative decision package removes \$924,237 in general fund from the base and brings the program back to the level established by the 2009 Legislature.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$924,237	\$924,237
FY 2013	\$924,237	\$924,237

PL- 10011 - Re-establish Comprehensive Waiver Base -

This is a request for \$924,237 each year of the biennium in general fund to bring the Comprehensive Services Waiver back to the FY 2010 expenditure level. Additional funding was needed to provide services for residential, group home and day treatment clients, and the division anticipates the continuing need for these client services.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	(\$98,584)	(\$98,584)
FY 2013	(\$98,584)	(\$98,584)

PL- 55140 - 17-7-140 reductions - Operations Efficiency -

This decision package reduces the general fund base by \$98,584 for each year of the biennium for the Developmental Services Division. This amount annualizes and makes permanent the 17-7-140, MCA, 5% budget reduction put in place in the 2011 biennium. The Developmental Services Division will make operations reductions through efficiencies in the areas of travel, conferences, supplies, newspaper ads, cell phone use, postage and contracting.

**MEDICAID & HEALTH SERVICES BRANCH-6911
DISABILITY SERVICES DIVISION-10**

-----**New Proposals**-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$642,338	\$216,982
FY 2013	\$642,338	\$220,065

NP- 10103 - Med Ben - Restore Autism Group Home -

This request is for \$1.3 million total funds, \$0.4 million general fund over the 2013 biennium to restore OTO funding from the 2009 Legislative Session for a group home for people with autism. This group home is at capacity. Four people remain in treatment.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$370,097	\$125,019
FY 2013	\$1,257,126	\$430,691

NP- 10104 - Med Ben - MDC Transition to Waiver -

This request is for \$1.6 million total funds, \$0.6 million general fund over the 2013 biennium to support services in community for individuals residing at MDC, whose commitments have expired and who are referred for community placement.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$0	(\$2,017,138)
FY 2013	\$0	(\$2,017,138)

NP- 10107 - Med Ben - DD Refinancing -

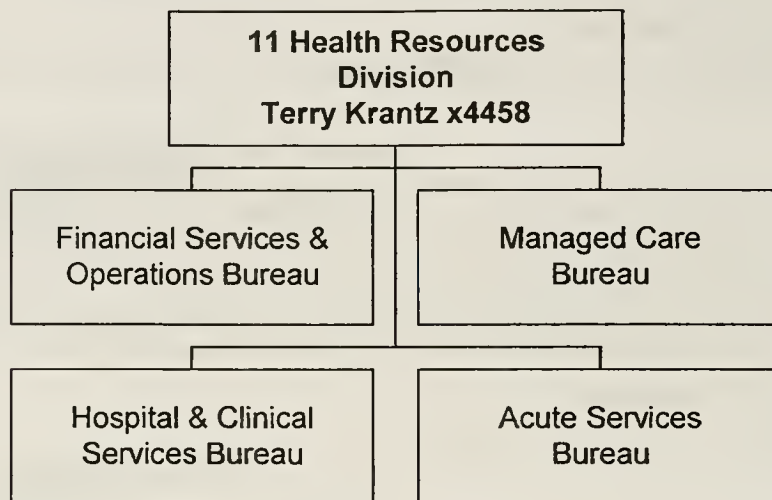
This request is for a decrease of \$4.0 million general fund and an increase of \$4.0 million federal Medicaid funds over the biennium to support the transition of individuals in DDP funded services from state only funded services to services funded with federal Medicaid participation. This decision package would transfer approximately \$3 million per year of state-only funded cost plans to cost plans funded with federal Medicaid participation at the FMAP rate. This proposal increases the Medicaid caseload and Medicaid costs, but also reduces the general fund support of these cost plans by \$2 million per year. The general fund savings is equivalent to the increased federal participation.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$478,967	(\$78,526)
FY 2013	\$619,696	(\$210,600)

NP- 55410 - 4% GF - MDC Reconfiguration -

This decision package is part of the department's 4% general fund personal services reduction. This request is for \$1.1 million total funds (a decrease of \$0.3 million general fund and an increase of \$1.4 million federal Medicaid funds) over the 2013 biennium to reconfigure the operations of MDC and move people residing at MDC to services in community settings. The general fund reduction here will be the result of staffing reductions associated with placement of twelve individuals at MDC, who have been referred for community placement and a simultaneous reduction to the number of licensed beds.

MEDICAID & HEALTH SERVICES BRANCH-6911 **HEALTH RESOURCES DIVISION-11**



Program Description - The Health Resources Division (HRD) administers Medicaid primary care services, Healthy Montana Kids (formerly the Children's Health Insurance Program), and Big Sky Rx. The purpose of the division is to improve and protect the health and safety of Montanans. The division reimburses private and public providers for a wide range of preventive, primary, and acute care services. Major service providers include: physicians, public health departments, clinics, hospitals, dentists, pharmacies, durable medical equipment, and mental health providers. The division develops tools, measurements and reports necessary to allow division management to administer and control programs and expenditures in the division, and to report those results in an accurate and timely manner to others. The division strives to provide superior customer service in a respectful, fair, and timely manner.

The majority of services in the division are funded through Medicaid. Medicaid is a voluntary state/federal partnership that reimburses for medical services for the aged, blind, disabled, children and low-income families. The division administers Healthy Montana Kids (HMK) as a separate health insurance program and contracts with Blue Cross Blue Shield to provide third party administrator services. HMK dental and eyeglasses benefits are reimbursed directly by the department. HMK is a voluntary state/federal partnership that reimburses for medical services for children at or below 250% of poverty. HMK eligibility is determined by division staff.

Big Sky Rx is a state-funded program that helps Montanans, who are at or below 200% of poverty and who are eligible for the Medicare Part D prescription drug program, pay for their Medicare premium. Big Sky Rx eligibility is determined by division staff. A related program, PharmAssist, pays for prescription drug counseling by a pharmacist and provides drug information and technical assistance to all Montanans.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2010	PL Base Adjustment Fiscal 2012	New Proposals Fiscal 2012	Total Exec. Budget Fiscal 2012	PL Base Adjustment Fiscal 2013	New Proposals Fiscal 2013	Total Exec. Budget Fiscal 2013
FTE	76.00	0.00	20.00	96.00	0.00	20.00	96.00
Personal Services	3,859,994	453,686	882,144	5,195,824	450,801	880,162	5,190,957
Operating Expenses	8,446,921	1,508,660	305,163	10,260,744	1,774,056	292,355	10,513,332
Equipment & Intangible Assets	2,950	0	0	2,950	0	0	2,950
Benefits & Claims	475,835,262	143,389,003	3,866,525	623,090,790	177,983,037	3,866,525	657,684,824
Total Costs	\$488,145,127	\$145,351,349	\$5,053,832	\$638,550,308	\$180,207,894	\$5,039,042	\$673,392,063
General Fund	64,901,357	61,981,527	187,864	127,070,748	50,039,555	191,358	115,132,270
State/Other Special	47,033,799	14,737,079	1,498,838	63,269,716	33,490,906	1,511,387	82,036,092
Federal Special	376,209,971	68,632,743	3,367,130	448,209,844	96,677,433	3,336,297	476,223,701
Total Funds	\$488,145,127	\$145,351,349	\$5,053,832	\$638,550,308	\$180,207,894	\$5,039,042	\$673,392,063

**MEDICAID & HEALTH SERVICES BRANCH-6911
HEALTH RESOURCES DIVISION-11**

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$81,920,153	\$23,455,855
FY 2013	\$97,401,747	\$25,728,600

PL- 11001 - Medicaid Benefits - Physical Health Caseload -

This request for the Health Resources Division is necessary to reflect changes in Medicaid caseload including the number of eligible, utilization, and patient acuity levels. Examples of caseload services are: inpatient, outpatient, dental, pharmacy, and physicians. This decision package requests \$179.3 million in total funds. The biennial funding is \$48.6 million in general fund, \$7,859 in state special revenue, and \$130.6 million in federal funds.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$2,746,387	\$928,553
FY 2013	\$3,466,387	\$1,187,584

PL- 11002 - Medicaid Benefits - Medicare Buy-In Caseload -

This request reflects expected increases in premiums for Medicare Part A and Part B that have been projected by the department. This request is for \$6.2 million over the biennium with \$2,116,137 in general fund. The program is mandated by federal law.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$114,121	\$38,584
FY 2013	\$262,863	\$90,056

PL- 11003 - Medicaid Benefits - For Workers w/ Disabilities Caseload -

This decision package requests \$376,984 over the biennium. The funding for the biennium is \$128,640 general fund and \$248,344 in federal funds. Federal statutes authorize states to enact a Medicaid buy-in program for workers with disabilities and allows them to set their own eligibility requirements for the buy-in programs, Montana's eligibility standards cover people to 250% of the federal poverty level. This program allows workers with disabilities, whose resources or income exceeds the limits for eligibility under existing coverage groups, to qualify for Medicaid. The program eliminates a significant barrier, which prevented people from working due to loss of comprehensive health care coverage.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$98,771	\$23,310
FY 2013	\$148,897	\$35,661

PL- 11004 - Medicaid Benefits - Breast & Cervical Cancer Caseload -

This request is for \$247,668 for the biennium including \$58,971 general fund and \$188,697 in federal funds to continue to provide funding for the Medicaid expenditures related to the Breast & Cervical Cancer Treatment Program for those individuals determined to be Medicaid eligible.

MEDICAID & HEALTH SERVICES BRANCH-6911 **HEALTH RESOURCES DIVISION-11**

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$0	\$2,569,918
FY 2013	\$0	\$3,879,402

PL- 11005 - FMAP Adjustment - HRD Medicaid -

This request is for \$6.4 million in general fund and an equal reduction of \$6.4 million in federal funds. This decision package reflects the federal participation rate change (FMAP).

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$2,033,190	\$2,033,190
FY 2013	\$3,115,190	\$3,115,190

PL- 11008 - Medicaid Benefits - Clawback Caseload -

This decision package provides the financing necessary to increase the Clawback payment, subject to changes in caseload. This is a request for \$5.1 million in general fund over the biennium. The Medicare Modernization ACT (MMA) requires the federal government to pay prescription drug costs for Medicaid clients, who had previously been covered in part by states. States are required to pay back to the federal government a phased down contribution known as Clawback. The Clawback amount is adjusted each year based on Montana's medical expenditures.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$16,249,579	\$0
FY 2013	\$28,436,763	\$0

PL- 11009 - Medicaid Benefits - IHS Caseload -

This decision package reflects projected caseload and federal rate increases as well as major modification to the method of payment for services for the Medicaid Indian Health Services program. The establishment of rates for Indian Health Services will now be based on an encounter (per visit) rate rather than an all-inclusive rate, which covers multiple services received in one day with one billed claim. This request is 100% pass through of federal funds. Federal funds requested in FY 2012 are \$16,249,579 and \$28,436,763 in FY 2013.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$4,198,641	\$4,198,641
FY 2013	\$4,198,641	\$4,198,641

PL- 11010 - FMAP Adjustment - Clawback -

This decision package is the financing necessary to increase the Clawback payment that was due to changes in the ARRA FMAP. This request is for \$8,397,282 in general fund for the biennium.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$250,000	\$125,000
FY 2013	\$250,000	\$125,000

PL- 11011 - Hospital Cost Rpt Audit Contract Increases -

The decision package requests \$500,000 for hospital cost report audits. The funding for this decision package is \$250,000 general fund and \$250,000 in federal funds over the biennium. The audits are required by federal law and are critical for calculating items related to disproportionate share payments.

MEDICAID & HEALTH SERVICES BRANCH-6911 **HEALTH RESOURCES DIVISION-11**

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$0	\$0
FY 2013	\$0	\$0

PL- 11016 - EFMAP Adjustment - HMK -

This decision package reflects the Enhanced Federal Medical Assistance Percentage (EFMAP) participation rate change. This adjustment provides funding for the change in Healthy Montana Kids EFMAP over the biennium. This request requests \$744,126 in state special revenue and reduces \$744,126 in federal funds over the biennium.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$17,947,757	\$0
FY 2013	\$21,326,257	\$0

PL- 11017 - HMK - CHIP - Caseload -

This request reflects the caseload growth for Healthy Montana Kids (HMK). This caseload consists of the number of eligible, utilization, and patient acuity levels for those who are between 133%-250% of the federal poverty level. This decision package requests \$39.2 million in total funds. The biennial funding is \$9.3 million in state special and \$29.9 million in federal funds.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$23,024,847	\$0
FY 2013	\$25,131,135	\$0

PL- 11020 - Medicaid Benefits - HMK Expansion Caseload -

This request reflects the caseload growth for Healthy Montana Kids (HMK). This caseload consists of the number of eligible, utilization, and patient acuity levels for those who are between 101%-133% of the federal poverty level. This decision package requests \$48.1 million in total funds. The biennial funding is \$11.4 million in state special and \$36.7 million in federal funds.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$421,537	\$106,547
FY 2013	\$640,242	\$161,827

PL- 11022 - CPI - MMIS Components -

This request is for \$1,061,779 total funds for the biennium. The biennial funding is \$268,374 in general fund and \$793,405 in federal funds. This request reflects the pricing adjustment for 3 components (Smart PA, Impact Pro, and Enrollment Broker) of the Medicaid Management Information System within the Health Resources Division.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$0	\$0
FY 2013	\$0	(\$16,984,522)

PL- 11023 - Medicaid Benefits Hold Harmless Account - OTO -

This decision package requests the authority to spend \$16.9 million in FY 2013 in state special revenue and reduce general fund in the same amount one time only. A Medicaid reserve account was established in HB 645, Section 34. Funds in the account must be used by the department for Medicaid benefits after June 30, 2011.

MEDICAID & HEALTH SERVICES BRANCH-6911 **HEALTH RESOURCES DIVISION-11**

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	(\$2,991,314)	\$0
FY 2013	(\$3,506,427)	\$0

PL- 11112 - Hospital Utilization Fee Authority -

This decision package is an increase in state special authority of \$8,429,553 and a decrease of \$14,927,294 in federal funds due to the change in FMAP. The Montana Medicaid program has historically reimbursed the Montana hospitals at a rate less than the cost of providing hospital services to the Medicaid clients. This provides for the Montana Hospital Utilization Fee to be used as the state match to draw down a federal allotment to increase Medicaid hospital reimbursement.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$145,000	\$0
FY 2013	\$145,000	\$0

PL- 11113 - Administrative Claiming - MAC & MAM -

This request is for \$290,000 in federal funds for the biennium. It provides funding for the administrative match claiming with the seven tribal governments. This provides a method of federal reimbursement for eligible Medicaid Title XIX outreach and administrative services, currently performed by both the school districts and tribal nations.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	(\$307,268)	(\$307,268)
FY 2013	(\$307,268)	(\$307,268)

PL- 11122 - Reduction to HRD Base -

Health Resources Division experienced increased service demands in Medicaid hospital services beyond the budgeted benefit appropriation. Funds were available in other areas of the department. This negative decision package removes \$307,268 in general fund from the base and brings the program back to the level established by the 2009 Legislature.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$307,268	\$307,268
FY 2013	\$307,268	\$307,268

PL- 11123 - Re-establish Medicaid Hospital Services Base -

This is a request for \$307,268 general fund each year of the biennium to bring Medicaid hospital services back to the FY 2010 expenditure level. Additional funding was needed to provide for hospital services, and the division anticipates the continuing need for this level of services.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	(\$1,268,960)	(\$1,268,960)
FY 2013	(\$1,268,960)	(\$1,268,960)

PL- 55140 - 17-7-140 Reduction -Pharmacy Savings w/SMAC Program -

This decision package reduces the general fund base budget by \$1,268,960 each year of the biennium in the Health Resources Division. This amount is the portion of the budget reduction per 17-7-140. This change is a result of the State Maximum Allowable Cost (SMAC) program.

MEDICAID & HEALTH SERVICES BRANCH-6911 **HEALTH RESOURCES DIVISION-11**

-----New Proposals-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$2,340,000	\$0
FY 2013	\$2,340,000	\$0

NP- 11014 - Health Care Reform Rebate Reduction -

This request is for \$4,680,000 for the biennium. The biennial funding for this decision package is \$1,592,838 state special revenue funds and \$3,087,162 in federal funds. Montana had supplemental rebate agreements in place in excess of the federal minimum rebate amounts and previously collected the state share of these rebates. A change in the Patient Protection and Affordable Care Act increases the minimum federal rebate in many cases from 15.1% to 23.1%. Effective January 1, 2010, the federal government will collect 100% of the rebate between the previous minimum rebate amount and the new minimum. This change will result in loss of the state share of a portion of supplemental rebates that were collected. It is estimated that this change will decrease Montana's share of rebates by \$2,340,000 each year.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$776,525	\$262,543
FY 2013	\$776,525	\$266,037

NP- 11027 - Medicaid Benefits - Indian Property Exclusion -

This request is for \$1,553,050 total funds for the biennium. The biennial funding is \$528,580 in general fund and \$1,024,470 in federal funds. This decision package provides the funding for a change in eligibility determination under Medicaid for Native Americans. This change prohibits consideration of four classes of property from resources determining Medicaid eligibility. It also provides for protection for Certain Indian Property for Medicaid Estate Recovery. Certain income, resources, and property will remain exempt from Medicaid estate recovery, if they are exempted under Section 1917(b) (3) of the Social Security Act instructions regarding Indian tribes as of April 1, 2003.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$591,966	\$0
FY 2013	\$591,364	\$0

NP- 11029 - Medicaid Benefits - Family Planning -

This decision package requests 5.00 FTE that would be used for the family planning program. This request is for \$591,666 in state special revenue funds and \$591,664 in federal funds over the biennium. The personnel would be used to perform functions for the Medicaid family planning, including program development, eligibility determinations, and operations. Previously, Montana had submitted a waiver request to add this group prior to the passage of the Affordable Care Act (ACA) and was awaiting action by the Centers for Medicaid and Medicare (CMS). Now, under the ACA, family planning services are available as a state plan service.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$750,000	\$0
FY 2013	\$750,000	\$0

NP- 11119 - Medicaid Benefits - Restore Adult Transplants -

This decision package makes permanent coverage for adults to obtain a non-experimental organ or tissue transplant. This request is for \$1.5 million total funds for the biennium. The biennial funding is \$510,525 in state special revenue (tobacco tax) and \$989,475 in federal funds.

MEDICAID & HEALTH SERVICES BRANCH-6911 **HEALTH RESOURCES DIVISION-11**

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$670,020	\$0
FY 2013	\$655,832	\$0

NP- 11121 - Make Temporary HMK FTE Permanent -

This request would provide 15.00 FTE and \$315,196 in state special revenue and \$1,010,656 in federal funding over the biennium. The 2009 Legislature approved temporary full time equivalent (FTE) positions to implement the Healthy Montana Kids Plan (HMK), which expanded Children's Health Insurance Program (CHIP) eligibility for children from 175% to 250% of the federal poverty level. HMK Plus (Medicaid) has received the bulk of the increases in enrollment, and current eligibility staff is needed in order to continue determining eligibility for HMK. This request would allow the fifteen positions to be made permanent and maintain needed administrative and eligibility functions. The positions are funded with federal dollars and I-155 state special revenue funds.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	(\$24,772)	(\$24,772)
FY 2013	(\$24,772)	(\$24,772)

NP- 55411 - 4% Personal Services Budget Reduction -

The Governor has included a 4% reduction in general fund personal services budgets as a part of his budget recommendations. This decision package reduces the general fund base budget for the Health Resources Division by \$24,772 per year and represents a 2% contract reduction. This amount was calculated based on the anticipated general fund budgeted for personal services and will reduce operating expenses in consultant and professional services category.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	(\$49,907)	(\$49,907)
FY 2013	(\$49,907)	(\$49,907)

NP- 55420 - 17-7-140 Operation Efficiencies -

This decision package reduces the general fund base budget \$49,907 for each year of the biennium in the Health Resources division. This amount annualizes and makes permanent the 17-7-140, MCA, 5% budget reduction put in place in the 2011 biennium. This request will eliminate the Oregon Health and Science Contract for the purpose of collaborating and weighing evidence-based benefits and design coverage. Loss of this contract reduces the capacity to develop evidence-based coverage and reimbursement policy for the Health Resources Division.

MEDICAID AND HEALTH SERVICES BRANCH-6911 **MEDICAID AND HEALTH SERVICES MANAGEMENT-12**

Program Description - The Medicaid Systems Support Program works in conjunction with the state Medicaid director and division administrators by providing oversight and guidance on management of the Medicaid programs. It also oversees the Medicaid Management Information System (MMIS) contractor that is responsible for the processing and payment of Medicaid claims. The Medicaid and Health Services Branch Manager is attached to this program for budget purposes.

Statutory Authorization can be found in 2-4-201, MCA.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2010	PL Base Adjustment Fiscal 2012	New Proposals Fiscal 2012	Total Exec. Budget Fiscal 2012	PL Base Adjustment Fiscal 2013	New Proposals Fiscal 2013	Total Exec. Budget Fiscal 2013
TE	5.00	0.00	0.00	5.00	0.00	0.00	5.00
Personal Services	444,575	17,619	0	462,194	16,688	0	461,263
Operating Expenses	7,490,576	367,196	0	7,857,772	558,301	0	8,048,877
Total Costs	\$7,935,151	\$384,815	\$0	\$8,319,966	\$574,989	\$0	\$8,510,140
General Fund	2,195,280	126,925	0	2,322,205	172,309	0	2,367,589
State/Other Special	38,345	(1,637)	0	36,708	1,410	0	39,755
Federal Special	5,701,526	259,527	0	5,961,053	401,270	0	6,102,796
Total Funds	\$7,935,151	\$384,815	\$0	\$8,319,966	\$574,989	\$0	\$8,510,140

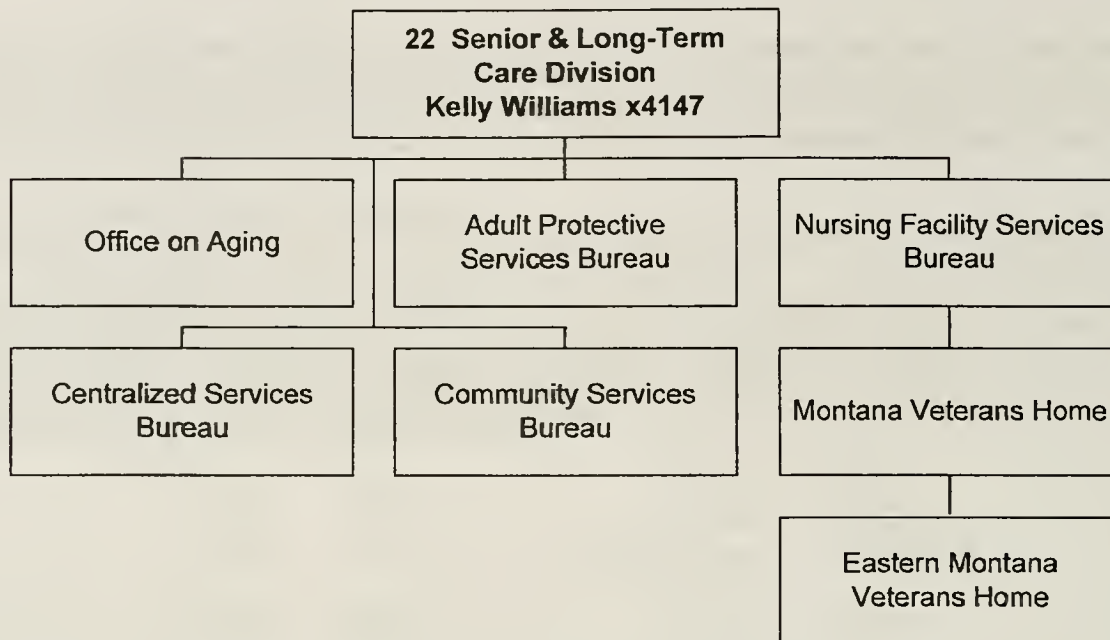
-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$368,259	\$93,228
FY 2013	\$559,322	\$141,597

PL- 12001 - MMIS Contract Increase -

This decision package requests \$927,581 over the biennium for Medicaid Management Information System (MMIS) components (different from those requested in HRD, DP 11022). The current MMIS Fiscal Agent contract contains a pricing adjustment per an increase in CPI. The annual pricing adjustment shall not exceed 75% of the rate of increase in the cost of living as reflected in the Federal Bureau of Labor Statistics, Consumer Price Index (CPI). The increase is implemented annually in July and over the prior 6 years has increased on average 2.5% annually. The funding for the biennium is \$234,825 in general fund and \$692,756 in federal funds.

MEDICAID & HEALTH SERVICES BRANCH-6911
SENIOR & LONG-TERM CARE-22



Program Description - The Senior and Long Term Care Division (SLTC) plans, administers, and provides publicly-funded, long-term care services for Montana's senior citizens and persons with physical disabilities. In addition, the division provides education and support regarding aging and long-term care issues to Montanans of all ages. The division makes services available through six major programs: 1) the Office on Aging provides meals, transportation, public education, information and assistance, long-term care ombudsman, and other services; 2) the Medicaid Community Services Program pays for in-home, assisted living, and other community-based services to Medicaid-eligible individuals as an alternative to nursing home care; 3) the Medicaid Nursing Facility Program pays for care to Medicaid-eligible individuals in 82 Montana nursing homes; 4) protective services, including the investigation of abuse neglect and exploitation are provided by adult protective services social workers; 5) skilled nursing facility care is provided to veterans at the 105-bed Montana Veterans Home (MVH) in Columbia Falls and the 80-bed Eastern Montana Veterans Home in Glendive; and 6) the State Supplemental Payments Program pays for a portion of the room and board costs for SSI eligible individuals residing in designated residential care facilities.

Statutory References: Aging Services, 52-3-201 et seq., MCA, (Protection Services Act for Aged Persons or Disabled Adults), 52-3-501 et seq., MCA, (Montana Older Americans Act), 52-3-801 et seq., MCA, (Montana Elder and Developmentally Disabled Abuse Prevention Act); P.L.89-75 (Federal Older Americans Act), P.L. 93-66 Section 212, P.L. 93-233 (authorizes states to supplement the Supplemental Security Income Amendments to the (SSI) Payments Program Social Security Act); Veteran's Homes, 10-2-401, MCA (authorizes and establishes Montana Veteran's Homes); 53-1-602, MCA (Eastern Montana Veteran's Home); Medicaid, Title 53, Chapter 6, MCA; Title 19, Social Security Act 42 USC 1396 et. seq. (establishes and authorizes Medicaid Program).

MEDICAID & HEALTH SERVICES BRANCH-6911 **SENIOR & LONG-TERM CARE-22**

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2010	PL Base Adjustment Fiscal 2012	New Proposals Fiscal 2012	Total Exec. Budget Fiscal 2012	PL Base Adjustment Fiscal 2013	New Proposals Fiscal 2013	Total Exec. Budget Fiscal 2013
TE	221.05	0.00	(1.00)	220.05	0.00	(1.00)	220.05
Personal Services	10,810,841	651,879	(43,746)	11,418,974	649,678	(43,644)	11,416,875
Operating Expenses	7,046,860	1,282,569	(33,124)	8,296,305	1,304,287	(32,771)	8,318,376
Equipment & Intangible Assets	132,303	0	0	132,303	0	0	132,303
Grants	8,697,634	280,196	0	8,977,830	296,707	0	8,994,341
Benefits & Claims	210,905,351	20,729,399	(965,442)	230,669,308	22,756,425	(965,442)	232,696,334
Health Service	11,484	0	0	11,484	0	0	11,484
Total Costs	\$237,604,473	\$22,944,043	(\$1,042,312)	\$259,506,204	\$25,007,097	(\$1,041,857)	\$261,569,713
General Fund	34,998,185	28,718,172	(407,100)	63,309,257	30,059,661	(407,100)	64,650,746
State/Other Special	28,230,568	1,206,837	0	29,437,405	1,575,439	0	29,806,007
Federal Special	174,375,720	(6,980,966)	(635,212)	166,759,542	(6,628,003)	(634,757)	167,112,960
Total Funds	\$237,604,473	\$22,944,043	(\$1,042,312)	\$259,506,204	\$25,007,097	(\$1,041,857)	\$261,569,713

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$9,935,589	\$1,575,221
FY 2013	\$8,740,785	\$1,155,352

PL- 22101 - Medicaid Benefits - Nursing Home Caseload -

This request is to recognize the impact of a 1.1% decline in the first year of the biennium and a 0.85% decline in the second year of the biennium for caseload in the Medicaid-funded nursing facility program. The request is for \$18,676,374 total funds over the biennium with \$ 2,730,573 in the general fund.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$0	\$1,641,322
FY 2013	\$0	\$2,284,394

PL- 22102 - Nursing Home FMAP Adjustment -

This decision package is to recognize the change in the federal matching rate (FMAP) for Medicaid-funded nursing facility services from the 2010 match rate to 0.3381 in FY 2012 and 0.3426% in FY 2013. The decrease in federal funds is equal to the increase in general fund in the amount of \$1,641,322 in FY 2012 and \$2,284,394 in FY 2013.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$4,779,875	\$1,616,076
FY 2013	\$6,987,621	\$2,393,959

PL- 22104 - Medicaid Benefits - Home Based Caseload -

This request is to recognize the impact of anticipated caseload changes in Medicaid-funded personal assistance, home health and hospice services. This request is for \$11,767,496 in total funds over the biennium with \$4,010,035 in the general fund.

MEDICAID & HEALTH SERVICES BRANCH-6911 **SENIOR & LONG-TERM CARE-22**

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$0	\$426,988
FY 2013	\$0	\$598,106

PL- 22105 - Home Based FMAP Adjustment -

This decision package is to recognize the change in the federal matching rate (FMAP) for Medicaid-funded personal assistance, home health and hospice services from the 2010 match rate to 0.3381 in FY 2012 and 0.3426 in FY 2013. The decrease in federal funds is equal to the increase in general fund in the amount of \$426,988 in FY 2012 and \$598,106 in FY 2013.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$1,081,866	\$365,779
FY 2013	\$1,081,866	\$370,647

PL- 22107 - HCHCW Funding Annualization -

This decision package is to annualize the costs associated with Health Care for Health Care Workers program. The 2007 Legislature appropriated funding to pay health insurance premiums for workers in the personal assistance and private duty nursing programs. In order to receive these funds, a provider agency employing the workers must provide health insurance coverage that meets an established benchmark for all of its employees. This adjustment will continue the coverage of this insurance program at the current level. This request is for \$2,163,732 of total funds and \$736,426 of general fund over the biennium.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$0	\$41,032
FY 2013	\$0	\$57,476

PL- 22108 - HCHCW FMAP Adjustment -

This decision package is to recognize the change in the federal matching rate (FMAP) for the Medicaid-funded Health Care for Health Care Workers program from the 2010 match rate to 0.3381 in FY 2012 and 0.3426 in FY 2013. The decrease in federal funds is equal to the increase in general fund in the amount of \$41,032 in FY 2012 and \$57,476 in FY 2013.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$1,427,244	\$482,551
FY 2013	\$1,427,244	\$488,974

PL- 22109 - Med Ben - Waiver Annualization -

This decision package is to annualize the cost of nursing home transition placements into community based service settings. Approximately 38 individuals transitioned at different times during the year from the nursing facility to home and community based waiver placements, resulting in less than a full year of expenditures being recognized in the 2010 base year. This request is for \$2,854,488 total funds over the biennium with \$971,525 in the general fund.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$0	(\$203,853)
FY 2013	\$0	(\$62,804)

PL- 22110 - Waiver FMAP Adjustment -

This decision package is to recognize the change in the federal matching rate (FMAP) for Medicaid-funded home and community based waiver services from the 2010 match rate to 0.3381 in FY 2012 and 0.3426 in FY 2013. The decrease in general fund is equal to the increase in federal funds in the amount of \$203,853 in FY 2012 and \$62,804 in FY 2013.

MEDICAID & HEALTH SERVICES BRANCH-6911 **SENIOR & LONG-TERM CARE-22**

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$3,495,744	\$0
FY 2013	\$4,509,828	\$0

PL- 22112 - Nursing Facility IGT Spending Authority -

This request reflects the anticipated increase in Nursing Facility Intergovernmental Payments (IGT) between the FY 2010 base and the 2013 biennium. The increased ability to leverage matching funds between the Medicaid rate and the Medicare upper payment limit (UPL) is anticipated at approximately \$8,005,572 total funds over the biennium with the state match provided by county governments and none from the general fund.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$508,300	\$0
FY 2013	\$508,300	\$0

PL- 22113 - MVH Restore OT/Holidays Worked -

This request is to fund personal services costs that are removed from the FY 2010 base budget for Montana Veterans' Home (MVH). This includes overtime, differential, holidays worked, and doctor on-call pay as necessary costs related to operating a facility with 24-hour staffing. This request also includes funding of aggregate positions. Aggregate positions are used to provide coverage for staff on sick leave, vacation leave, and in nurse aide training classes. The total request is for \$1,016,600 of state special revenue over the biennium from cigarette tax revenue dedicated to the Veterans Homes.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$336,312	\$0
FY 2013	\$342,058	\$0

PL- 22114 - MVH - Medical & Pharmacy Inflation -

This decision package requests \$678,370 in state special revenue from cigarette tax over the biennium to fund inflationary increases in operations, medical, and pharmacy costs for the state-run Montana Veterans Home (MVH).

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$0	\$0
FY 2013	\$0	\$0

PL- 22115 - Increase Fed Authority for VA Per Diem MVH -

This decision package is to request increased federal authority related to the increase in federal veteran's administration per diem rates that will be reimbursed for the domiciliary and nursing facility days of care at the Montana Veterans Home in the 2013 biennium. This request is for increased federal authority of \$888,062 over the biennium and a reduction from state special revenue from cigarette taxes in the same amount.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$954,881	\$0
FY 2013	\$954,881	\$0

PL- 22116 - Increase Fed Authority for VA Per Diem EMVH -

This decision package is a request for increased federal authority for veteran's administration per diem paid for nursing facility days of care at the Eastern Montana Veterans Home. This increase includes \$381,000 that was requested for the FY 2010 increased per diem and \$573,881 that is related to the increase in VA per diem for 2011, 2012, and 2013. These per diem payments are a pass through cost that are paid to the contractor, who is responsible for the operation of the EMVH. Total request is for \$1,909,762 of federal spending authority over the biennium.

MEDICAID & HEALTH SERVICES BRANCH-6911 **SENIOR & LONG-TERM CARE-22**

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$280,196	\$0
FY 2013	\$296,707	\$0

PL- 22117 - Aging Grant Funding -

This decision package is to recognize the expected increases in federal aging grants for community aging services, such as ombudsman, Title III nutrition programs, and SHIP. The request is for \$576,903 of federal funds over the biennium and would augment contracts with Area Agencies on Aging.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$9,081	\$9,081
FY 2013	\$9,081	\$9,081

PL- 22118 - State Supplement Growth -

This decision package is to increase general fund by \$18,162 over the biennium for growth of approximately 10 people in State Supplement Program. These increases are expected to come from children in foster homes and a small number of individuals moving into DD group homes. These payments are made to SSI eligible individuals, who reside in designated residential care facilities, such as community homes for persons with developmental disabilities, adult foster homes, or assisted living facilities.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$28,671	\$27,668
FY 2013	\$28,671	\$27,668

PL- 22119 - Motor Pool Car Request -

This decision package is a request to exchange three department-owned cars for three motor pool leased cars that are used by field staff in adult protective services. The department owned cars are high mileage and in need of increased maintenance and repairs due to their age. The total request is for \$57,342 of total funds over the biennium with \$55,336 coming from the general fund and \$2,006 from federal funds.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$30,383	\$27,150
FY 2013	\$34,113	\$30,271

PL- 22120 - Non DofA Rent Adjustment -

This present law adjustment requests funding to pay the leases on non-state owned buildings. Reductions due to the Governor's lease negotiations as well as lease increases that could not be reduced were factored into this calculation.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	(\$33,982)	(\$33,982)
FY 2013	(\$33,982)	(\$33,982)

PL- 55140 - 17-7-140 Reductions, MCA - SLTC Operations Efficiencies -

This decision package reduces the general fund and state special revenue base budget to annualize and make permanent the 17-7-140, MCA, 5% budget reduction put in place in the 2011 biennium. The Senior and Long Term Care Division will make operations reductions through efficiencies in the areas of travel, conferences, supplies, newspaper ads, cell phone use, postage and contracting.

MEDICAID & HEALTH SERVICES BRANCH-6911 **SENIOR & LONG-TERM CARE-22**

-----New Proposals-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	(\$86,870)	(\$92,641)
FY 2013	(\$86,415)	(\$92,641)

IP- 55422 - 4% Personal Services GF Budget Reduction -

The Governor has included a 4% reduction in general fund personal services budgets as a part of his budget recommendations. This decision package reduces the general fund base budget for the Senior and Long Term Care Division by \$92,641 each year of the biennium and increases federal funds by \$5,771 in FY 2012 and \$6,226 in FY 2013. This amount was calculated based on 4% of the anticipated general fund budget for personal services. Some funding was exempted from the 4% calculation. These exemptions include funding for positions that provide 24/7 coverage and are required for facility licensure and a limited number of adult protective services workers. This request eliminates 1.00 FTE and provides for operations reductions in the areas of supplies and materials, contracted services and travel.

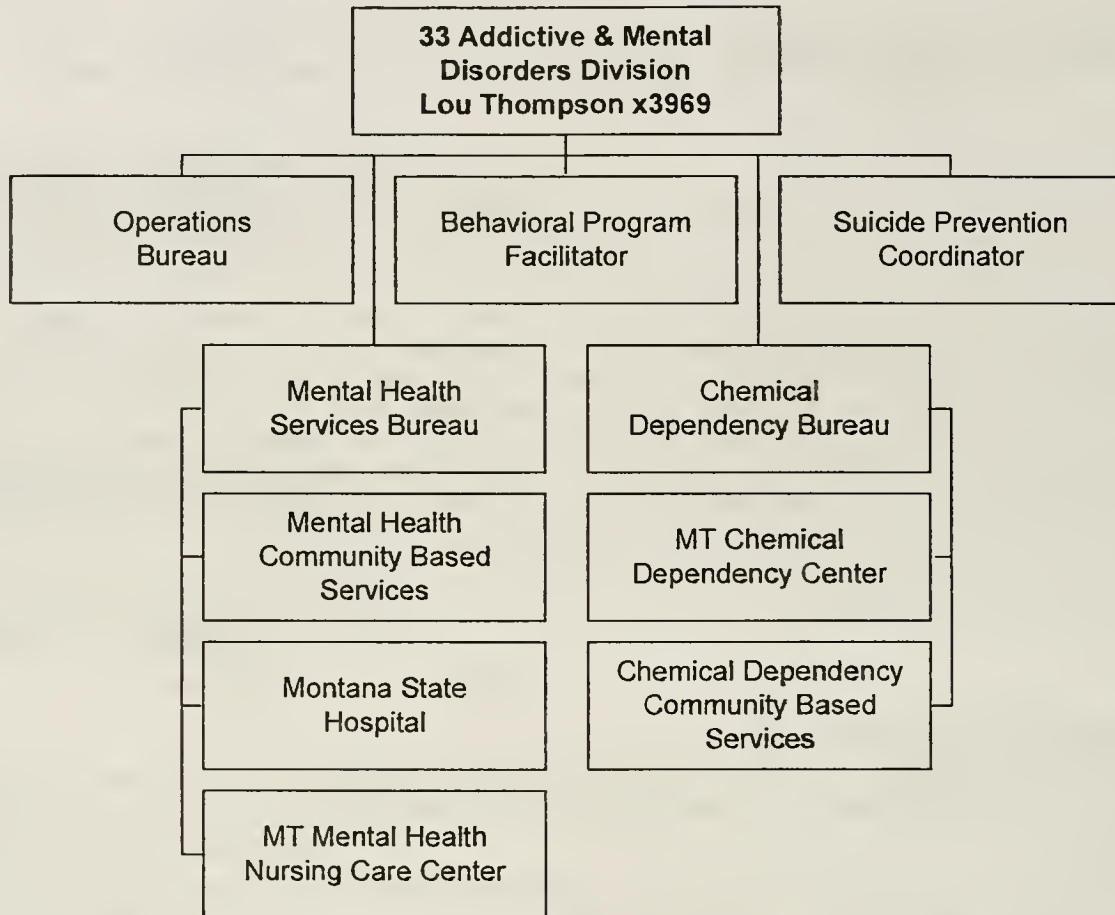
	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	(\$955,442)	(\$314,459)
FY 2013	(\$955,442)	(\$314,459)

IP- 55423 - PACE Elimination -

The Program of All-inclusive Care for the Elderly (PACE) program will be permanently removed from the base budget of the Senior and Long Term Care division. The reduction removes the base budget expenditure amount of \$314,459 per year in general fund.

Language Recommendations - County Nursing Home Intergovernmental Transfer (IGT) (DP 22112) may be used as one-time only payments to nursing homes based on the number of Medicaid services provided. State special revenue in County Nursing Home IGT may be expended only after the Office of Budget and Program Planning has certified that the Department has collected from these participating counties the amount necessary to make one-time only payments to nursing homes and to fund the base budget in the nursing facility program and the community services program at the level of \$829,969.

MEDICAID & HEALTH SERVICES BRANCH-6911
ADDICTIVE & MENTAL DISORDERS-33



Program Description - The Addictive and Mental Disorders Division provides chemical dependency and mental health services through contracts with behavioral health providers across the state. People with substance abuse disorders, who have family incomes below 200% of the federal poverty level, are eligible for public funding of treatment services. In addition, the Medicaid program funds outpatient and residential chemical dependency treatment services for adolescents and outpatient services for adults who are Medicaid eligible. The mental health program provides services to adults, who are eligible for Medicaid, as well as non-Medicaid adults up to 150% of FPL. The Division also manages three inpatient facilities: the Montana State Hospital in Warm Springs, Montana Chemical Dependency Center in Butte, and Montana Mental Health Nursing Care Center in Lewistown.

MEDICAID & HEALTH SERVICES BRANCH-6911 **ADDICTIVE & MENTAL DISORDERS-33**

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2010	PL Base Adjustment Fiscal 2012	New Proposals Fiscal 2012	Total Exec. Budget Fiscal 2012	PL Base Adjustment Fiscal 2013	New Proposals Fiscal 2013	Total Exec. Budget Fiscal 2013
TE	628.35	0.00	(8.49)	619.86	0.00	(8.49)	619.86
Personal Services	34,558,671	1,764,679	(514,768)	35,808,582	1,783,270	(514,768)	35,827,173
Operating Expenses	13,051,488	337,166	0	13,388,654	680,644	0	13,732,132
Equipment & Intangible Assets	45,420	0	0	45,420	0	0	45,420
Grants	5,145,999	0	0	5,145,999	0	0	5,145,999
Benefits & Claims	58,111,749	14,770,640	0	72,882,389	17,018,880	0	75,130,629
Debt Service	1,620	0	0	1,620	0	0	1,620
Total Costs	\$110,914,947	\$16,872,485	(\$514,768)	\$127,272,664	\$19,482,794	(\$514,768)	\$129,882,973
General Fund	58,190,516	5,957,809	(514,768)	63,633,557	6,590,078	(514,768)	64,265,826
State/Other Special	10,910,039	2,715,302	0	13,625,341	3,601,134	0	14,511,173
Federal Special	41,814,392	8,199,374	0	50,013,766	9,291,582	0	51,105,974
Total Funds	\$110,914,947	\$16,872,485	(\$514,768)	\$127,272,664	\$19,482,794	(\$514,768)	\$129,882,973

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$553,000	\$0
FY 2013	\$797,000	\$0

PL- 33000 - MHSP Pharmacy Benefit and Cost Increases -

This request is to cover pharmaceutical cost inflation for the Mental Health Services Plan (MHSP) program, which is anticipated to be 10% per year. It is a request for \$553,000 in FY 2012 and \$797,000 in FY 2013 in state special revenue funds. This decision package will not be needed if the department's request for the HIFA waiver is approved by the federal government.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$1,612,310	\$0
FY 2013	\$1,612,310	\$0

PL- 33001 - Med Ben- HCBS Waiver Annualization -

This PL adjustment asks to continue the Home and Community-Based Waiver at 155 slots. The program is currently operating with 125 slots, with an additional 30 slots planned in 2011. FY 2010 expenditures were \$2,167,690. This present law adjustment requests the annualization or difference between the projected cost for 155 waiver slots and the FY 2010 expenditures. The total request is for \$3,224,620 with state special revenue funds of \$545,122 in FY 2012 and \$552,377 in FY 2013. The balance is in matching Medicaid federal funds.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$1,619,978	\$1,619,978
FY 2013	\$1,613,397	\$1,613,397

PL- 33002 - Restore OT/Holidays Worked MSH -

This request is to fund personal services costs that are removed from the FY 2010 base budget for Montana State Hospital. This includes overtime, differential, holidays worked and doctor on-call pay as necessary costs related to operating a facility with 24 hour staffing. This is not an increase over the base expenses. It is a request for \$1,619,978 in FY 2012 and \$1,613,397 in FY 2013. This request also includes funding of aggregate positions. Aggregate positions are used to provide coverage for staff on sick leave, vacation leave, and in nurse aide training classes.

MEDICAID & HEALTH SERVICES BRANCH-6911 ADDICTIVE & MENTAL DISORDERS-33

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$367,979	\$367,979
FY 2013	\$556,531	\$556,531

PL- 33003 - MSH- Medical and Pharmacy Inflation -

This budget request is for inflationary increases for pharmacy, outside medical, and food services expenses at the Montana State Hospital (MSH). MSH provides prescription drugs for residents during their stay at the facility and incurs costs for services outside the facility such as lab, hospital, x-rays, dental, and optometry. The request is for \$367,979 in FY 2012 and \$556,531 in FY 2013 in general fund.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$382,907	\$382,907
FY 2013	\$395,301	\$395,301

PL- 33004 - Restore OT/Holidays Worked NCC -

This request is to fund personal services costs that are removed from the FY 2010 base budget for Montana Mental Health Nursing Care Center (MMHNCC). This includes overtime, differential, holidays worked and doctor on-call pay as necessary costs related to operating a facility with 24 hour staffing. This is not an increase over the base expenses. This is a request for \$382,907 in FY 2012 and \$395,301 in FY 2013 in general fund. This request also includes funding of aggregate positions. Aggregate positions are used to provide coverage for staff on sick leave, vacation leave, and in nurse aide training classes.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$220,347	\$220,347
FY 2013	\$346,568	\$346,568

PL- 33005 - MMHNCC-Medical & Pharmacy Inflation -

Montana Mental Health Nursing Care Center (MMHNCC) is a long term care facility for persons who have a mental disorder. This request would cover a 5% inflationary increase for pharmacy contracted services, and a 10% inflationary increase for drug costs, outside medical, and dental costs for residents who do not have other forms of insurance. The budget request is for \$220,347 in FY 2012 and \$346,568 in FY 2013 in general fund.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$6,472,617	\$2,188,392
FY 2013	\$6,802,120	\$2,330,406

PL- 33006 - Medicaid Benefits - Mental Health Caseload Adjustment -

The department continues to determine Medicaid caseload and FMAP costs by analyzing recent changes in the Medicaid and CHIP programs including new and revised legal restrictions and the utilization patterns due to the economic conditions. This PL Adjustment requests funding for a projected Medicaid caseload and utilization growth in existing Mental Health services for each year of the biennium. This a total request of \$13,274,737 for the biennium with \$2,188,392 in general fund for FY 2012 and \$2,330,406 in general fund in FY 2013 and the balance in Medicaid federal funds.

MEDICAID & HEALTH SERVICES BRANCH-6911 **ADDICTIVE & MENTAL DISORDERS-33**

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$0	(\$526,524)
FY 2013	\$0	(\$383,349)

PL- 33007 - FMAP Adjustment - Mental Health -

This request provides a decrease in the general fund and an increase in state special revenue and federal Medicaid funds over the biennium due to a projected change in the Federal Medical Assistance Participation (FMAP) rates for FY 2012 and FY 2013 as they apply to the Mental Health Medicaid program. This is a request to decrease general fund in FY 2012 by \$526,524 and in FY 2013 by \$383,349. State special revenue will increase \$249,529 in FY 2012 and \$259,284 in FY 2013. The balance of the increase will be in federal Medicaid funds.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	(\$15,000)	(\$7,277)
FY 2013	\$1,884	\$914

PL- 33012 - Non DofA rent adjustment -

This present law adjustment requests funding to pay the leases on non-state owned buildings. Reductions due to the Governor's lease negotiations and increases for leases that could not be reduced were factored into this calculation. This request is to decrease general fund budget by \$7,277 in FY 2012 and increase general fund budget by \$914 in FY 2013.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$7,660,958	\$0
FY 2013	\$9,335,695	\$0

PL- 33013 - Medicaid Ben-HIFA Waiver -

This PL adjustment requests funding to implement the HIFA Medicaid Waiver program approved by CMS. The funding is a combination of state special revenue (tobacco tax) and federal matching funds. The state special revenue needed to fund the waiver will be taken from funds appropriated to the MHSP Pharmacy Program. This request is for \$1,226,487 in FY 2012 and \$1,843,997 in FY 2013 in state special revenue funds along with matching federal Medicaid funds.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	(\$908,777)	(\$966,812)
FY 2013	(\$908,777)	(\$966,812)

PL- 33801 - Reduction to MHSP Base -

AMDD experienced a spike in the demand for their Mental Health Services Plan services in FY 2010. Mitigation activities undertaken by the division included limiting enrollment by eligibility determination conducted by AMDD staff and capping the monthly case management reimbursement. However, the services provided exceeded the budgeted amounts available and additional help was found within the division's 72-hour program and other available funds. This negative Decision Package removes the additional expenditures from the base and brings this program back to the level established by the 2009 Legislature. Other mitigation plans are in progress to maintain the program at this level.

MEDICAID & HEALTH SERVICES BRANCH-6911 **ADDICTIVE & MENTAL DISORDERS-33**

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	(\$57,407)	(\$57,407)
FY 2013	(\$57,407)	(\$57,407)

PL- 55140 - AMDD Operations Efficiencies 17-7-140 -

This decision package reduces the general fund base budget by \$57,407 each year for the Addictive and Mental Disorders division. This amount represents the 5% budget reduction per 17-7-140, MCA, that is above the amount removed from the base FY 2010 expenditure level. The Addictive and Mental Disorders Division will make operations reductions through efficiencies in the areas of travel, conferences, supplies, newspaper ads, cell phone use, postage, and contracting.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	(\$619,468)	(\$619,468)
FY 2013	(\$619,468)	(\$619,468)

PL- 55141 - HB 130 Crisis Diversion Funding in HB 2 per 17-7-140, MCA -

This decision package reduces the general fund base budget by \$619,468 each year for the Addictive and Mental Disorders Division. This amount represents the 5% budget reduction per 17-7-140, MCA, that is above the amount removed from the base FY 2010 expenditure level. The Addictive and Mental Disorders Division reduced funding for the crisis diversion programs enacted in HB 130, 131, and 132 and funded in HB 2 by the 2009 Legislature. This adjustment eliminates funding for expansion that is not sustainable.

-----New Proposals-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	(\$514,768)	(\$514,768)
FY 2013	(\$514,768)	(\$514,768)

NP- 55433 - 4% FTE Reduction -

The Governor has included a 4% reduction in general fund personal services budgets as a part of his budget recommendations. This decision package reduces the Addictive and Mental Disorders division by \$514,768 in FY 2012 and \$514,768 in FY 2013. The reduction includes the elimination of 8.49 FTE.

Language Recommendations - DP 33000 - MHSP Pharmacy Benefits and Cost Increases is a request to cover pharmaceutical cost inflation for the Mental Health Services Plan (MHSP) program, which is anticipated to be 10% or \$553,000 in FY 2012 and \$797,000 in FY 2013 in SSR funds. This appropriation is contingent on the Health Insurance, Flexibility, and Accountability (HIFA) Waiver not being authorized by the final Federal approving agencies.



GOVERNOR
BRIAN SCHWEITZER

STATE OF MONTANA

SECTION C: NATURAL RESOURCES & TRANSPORTATION

Dept of Fish, Wildlife & Parks
Dept of Environmental Quality
Dept of Transportation

Dept of Livestock
Dept of Natural Resources & Conservation
Dept of Agriculture

OBPP Staff:

James Chamberlain	x 1338
Shawn Graham	x 0054

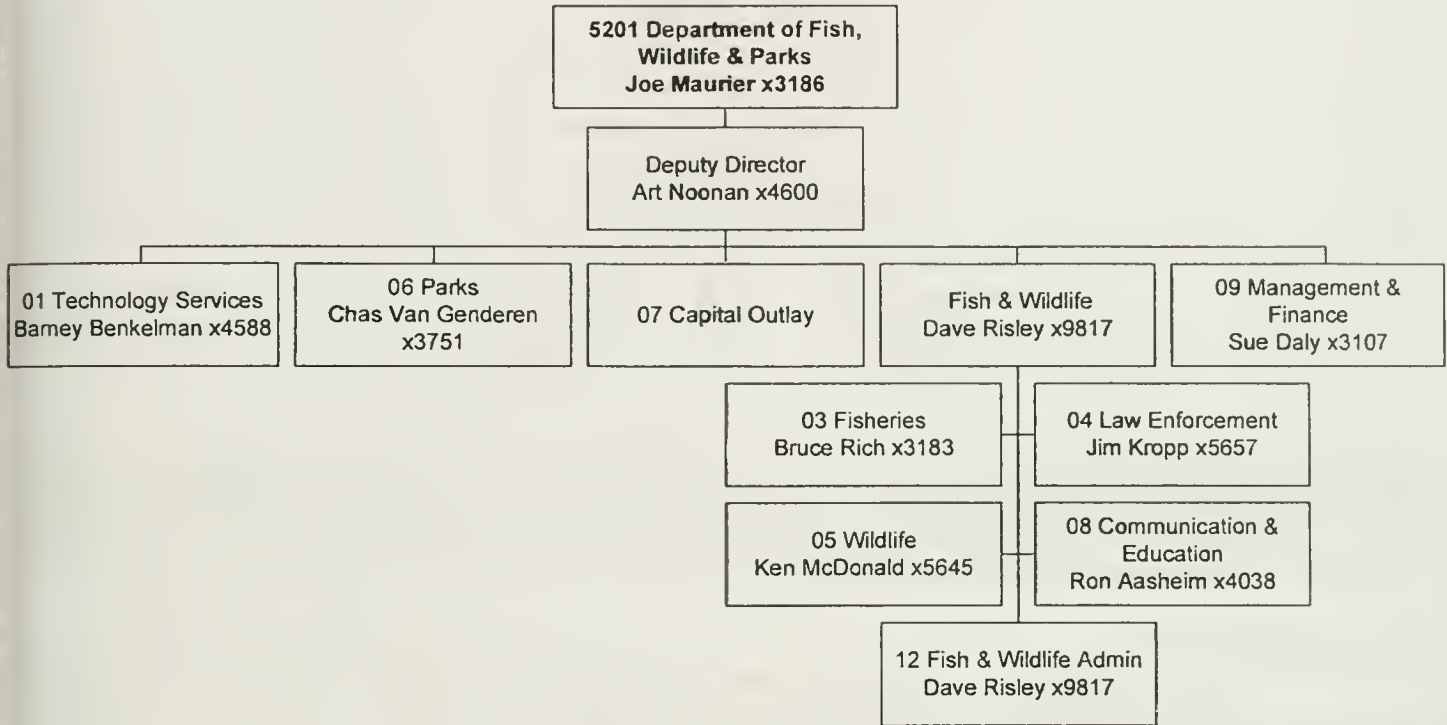


GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING



DEPARTMENT OF FISH, WILDLIFE & PARKS-5201

Please note that this agency also contains proprietary funding (see Section P).

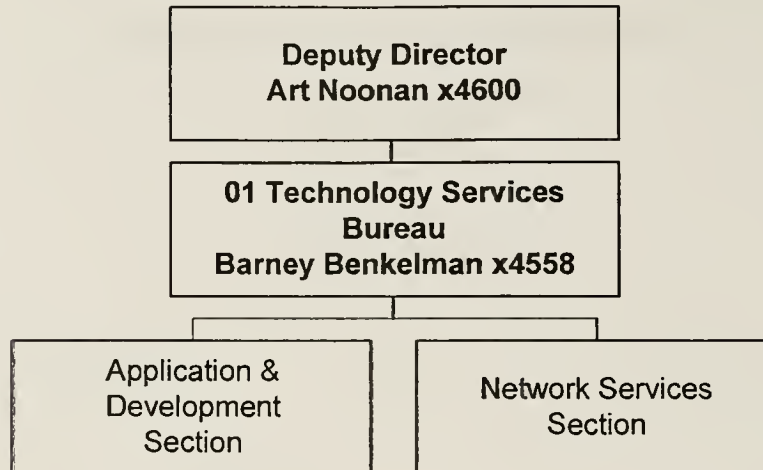


Mission Statement - Montana Fish, Wildlife & Parks, through its employees and citizen commission, provides for the stewardship of the fish, wildlife, parks, and recreational resources of Montana while contributing to the quality of life for present and future generations.

Statutory Authority - Title 87 and 23, MCA.

Agency Proposed Budget							
Budget Item	Base Budget Fiscal 2010	PL Base Adjustment Fiscal 2012	New Proposals Fiscal 2012	Total Exec. Budget Fiscal 2012	PL Base Adjustment Fiscal 2013	New Proposals Fiscal 2013	Total Exec. Budget Fiscal 2013
FTE	685.36	11.23	- 4.00	700.59	11.23	4.00	700.59
Personal Services	38,501,079	2,268,730	175,628	40,945,437	2,277,586	175,224	40,953,889
Operating Expenses	28,622,412	1,634,443	300,033	30,556,888	1,602,400	300,033	30,524,845
Equipment & Intangible Assets	873,722	(56,727)	0	816,995	(56,727)	0	816,995
Grants	952,105	23,881	0	975,986	23,881	0	975,986
Benefits & Claims	4,823	0	0	4,823	0	0	4,823
Transfers	58,869	40,783	0	99,652	40,783	0	99,652
Total Costs	\$69,013,010	\$3,911,110	\$475,661	\$73,399,781	\$3,887,923	\$475,257	\$73,376,190
State/Other Special	54,070,860	3,354,833	127,272	57,552,965	3,327,195	127,069	57,525,124
Federal Special	14,942,150	556,277	348,389	15,846,816	560,728	348,188	15,851,066
Proprietary	0	0	0	0	0	0	0
Total Funds	\$69,013,010	\$3,911,110	\$475,661	\$73,399,781	\$3,887,923	\$475,257	\$73,376,190

**DEPARTMENT OF FISH, WILDLIFE & PARKS-5201
INFORMATION SERVICES DIVISION-01**



Program Description - Information Services provides information technology and information management services to the entire department including, but not limited to: network creation and administration; hardware and off-the-shelf software procurement and configuration; support of automated license sales and drawings; intranet and internet communications; software development, deployment and support.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2010	PL Base Adjustment Fiscal 2012	New Proposals Fiscal 2012	Total Exec. Budget Fiscal 2012	PL Base Adjustment Fiscal 2013	New Proposals Fiscal 2013	Total Exec. Budget Fiscal 2013
FTE	27.50	4.50	0.00	32.00	4.50	0.00	32.00
Personal Services	2,033,029	242,176	0	2,275,205	240,000	0	2,273,029
Operating Expenses	2,213,816	(33,877)	0	2,179,939	(31,098)	0	2,182,718
Equipment & Intangible Assets	53,241	0	0	53,241	0	0	53,241
Total Costs	\$4,300,086	\$208,299	\$0	\$4,508,385	\$208,902	\$0	\$4,508,988
State/Other Special	4,289,393	208,299	0	4,497,692	208,902	0	4,498,295
Federal Special	10,693	0	0	10,693	0	0	10,693
Total Funds	\$4,300,086	\$208,299	\$0	\$4,508,385	\$208,902	\$0	\$4,508,988

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$0	\$0
FY 2013	\$0	\$0

PL- 101 - Reinstate Information Technology Bureau Manning -

This request is to reinstate 4.50 FTE in the Information Technology Bureau. The Information Services Division had two net-zero dollar decision packages approved as OTO by the 2009 Legislature. The decision packages shifted contracted services funding to personal services to fund FTE for information technology (IT) and web related services. This request does not add more funding but converts costly contracted services costs to more effective internal positions.

**DEPARTMENT OF FISH, WILDLIFE & PARKS-5201
FISHERIES DIVISION-03**

**Fish & Wildlife Division
Dave Risley x9817**

**03 Fisheries Bureau
Bruce Rich x3183**

**Hatcheries
Section**

**Operations
Section**

**Fish Management
Section**

**Habitat
Section**

Program Description - The Fisheries Bureau is responsible for preserving and perpetuating aquatic species and their ecosystems and for meeting public demand for fishing opportunities and aquatic wildlife stewardship. The bureau formulates and implements policies and programs that emphasize management for wild fish populations and the protection and restoration of habitat necessary to maintain these populations. The program:

- 1) operates a hatchery program to stock lakes and reservoirs where natural reproduction is limited;
- 2) regulates angler harvests;
- 3) monitors fish populations; and
- 4) provides and maintains adequate public access.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2010	PL Base Adjustment Fiscal 2012	New Proposals Fiscal 2012	Total Exec. Budget Fiscal 2012	PL Base Adjustment Fiscal 2013	New Proposals Fiscal 2013	Total Exec. Budget Fiscal 2013
FTE	151.19	0.00	0.00	151.19	0.00	0.00	151.19
Personal Services	8,374,301	355,798	0	8,730,099	357,847	0	8,732,148
Operating Expenses	5,161,322	44,829	0	5,206,151	62,639	0	5,223,961
Equipment & Intangible Assets	342,044	0	0	342,044	0	0	342,044
Total Costs	\$13,877,667	\$400,627	\$0	\$14,278,294	\$420,486	\$0	\$14,298,153
State/Other Special	5,614,265	164,334	0	5,778,599	168,821	0	5,783,086
Federal Special	8,263,402	236,293	0	8,499,695	251,665	0	8,515,067
Total Funds	\$13,877,667	\$400,627	\$0	\$14,278,294	\$420,486	\$0	\$14,298,153

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$55,000	\$0
FY 2013	\$55,000	\$0

PL- 301 - Reinstate Aquatic Nuisance Species Program -

This request is for \$55,000 per year in permanent state special and federal special funding to support the existing Aquatic Nuisance Species (ANS) program operations. Invasive Species funding was approved as an OTO by the 2009 Legislature. FWP's ANS program is part of the Governor's Weed/Invasive Species Initiative. The ANS program will be funded with general license funds and federal Dingle Johnson and additional grants as available from the U.S. Fish and Wildlife Service.

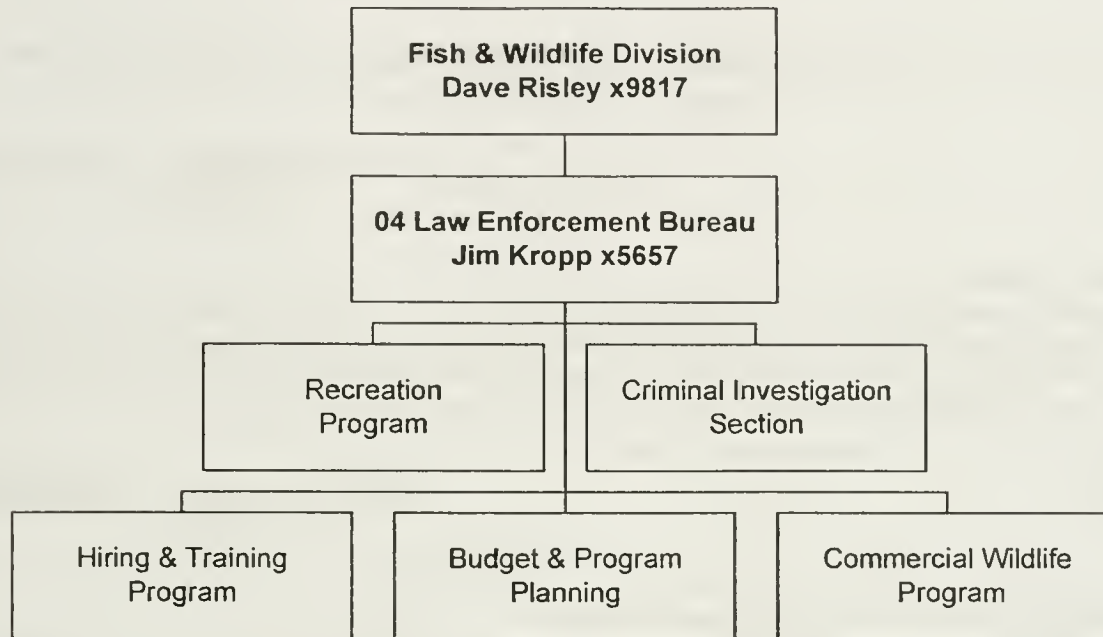
**DEPARTMENT OF FISH, WILDLIFE & PARKS-5201
FISHERIES DIVISION-03**

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$25,000	\$0
FY 2013	\$25,000	\$0

PL- 302 - Reinstate Private Lands Fishing Access -

This budget request is to increase Private Lands Fishing Access funding by \$25,000 each year in state special revenue. The Private Land Fishing Access program was created by the 2001 Legislature as a means of reimbursing private landowners for costs associated with allowing the public access for fishing. The authorizing legislation also addressed the need for facilities at county road bridge crossings. This funding was approved as one-time-only by the 2009 Legislature. This request would make the funding permanent to provide parking facilities, trails, or ramps to facilitate fishing access to public waters and allow FWP to continue to address access needs at bridges and on private property.

**DEPARTMENT OF FISH, WILDLIFE & PARKS-5201
ENFORCEMENT DIVISION-04**



Program Description - The Law Enforcement Division is responsible for ensuring compliance with laws and regulations pertaining to the protection and preservation of big game animals, fur-bearing animals, fish, game birds, and other protected wildlife species. The division also enforces the laws and regulations relative to lands or waters under agency jurisdiction and the recreation programs associated with the public lands and waters. These include programs such as; state parks, fishing access sites, state lands, boating safety, snowmobiles and off highway vehicles, outfitters/guides, block management patrols, and stream access enforcement. Other duties include commercial wildlife permitting, hunter education, public presentations, license vendor contacts, game damage response, urban wildlife activities, and assisting other law enforcement agencies as requested.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2010	PL Base Adjustment Fiscal 2012	New Proposals Fiscal 2012	Total Exec. Budget Fiscal 2012	PL Base Adjustment Fiscal 2013	New Proposals Fiscal 2013	Total Exec. Budget Fiscal 2013
ETE	113.64	0.00	0.00	113.64	0.00	0.00	113.64
Personal Services	7,256,103	223,453	0	7,479,556	225,127	0	7,481,230
Operating Expenses	1,995,190	42,264	0	2,037,454	43,563	0	2,038,753
Equipment & Intangible Assets	86,377	0	0	86,377	0	0	86,377
Grants	15,600	0	0	15,600	0	0	15,600
Total Costs	\$9,353,270	\$265,717	\$0	\$9,618,987	\$268,690	\$0	\$9,621,960
State/Other Special	8,997,727	233,774	0	9,231,501	236,234	0	9,233,961
Federal Special	355,543	31,943	0	387,486	32,456	0	387,999
Total Funds	\$9,353,270	\$265,717	\$0	\$9,618,987	\$268,690	\$0	\$9,621,960

**DEPARTMENT OF FISH, WILDLIFE & PARKS-5201
ENFORCEMENT DIVISION-04**

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$290,000	\$0
FY 2013	\$290,000	\$0

PL- 401 - Warden Overtime -

This budget request is recommended to restore state and federal special revenue of \$290,000 each year of the 2013 biennium for overtime compensation for the Law Enforcement Division. The request is necessary because overtime is zero-based in the budgeting process. This proposal is an important management tool in providing flexible and essential enforcement services during holidays and peak work periods to address priority work issues.

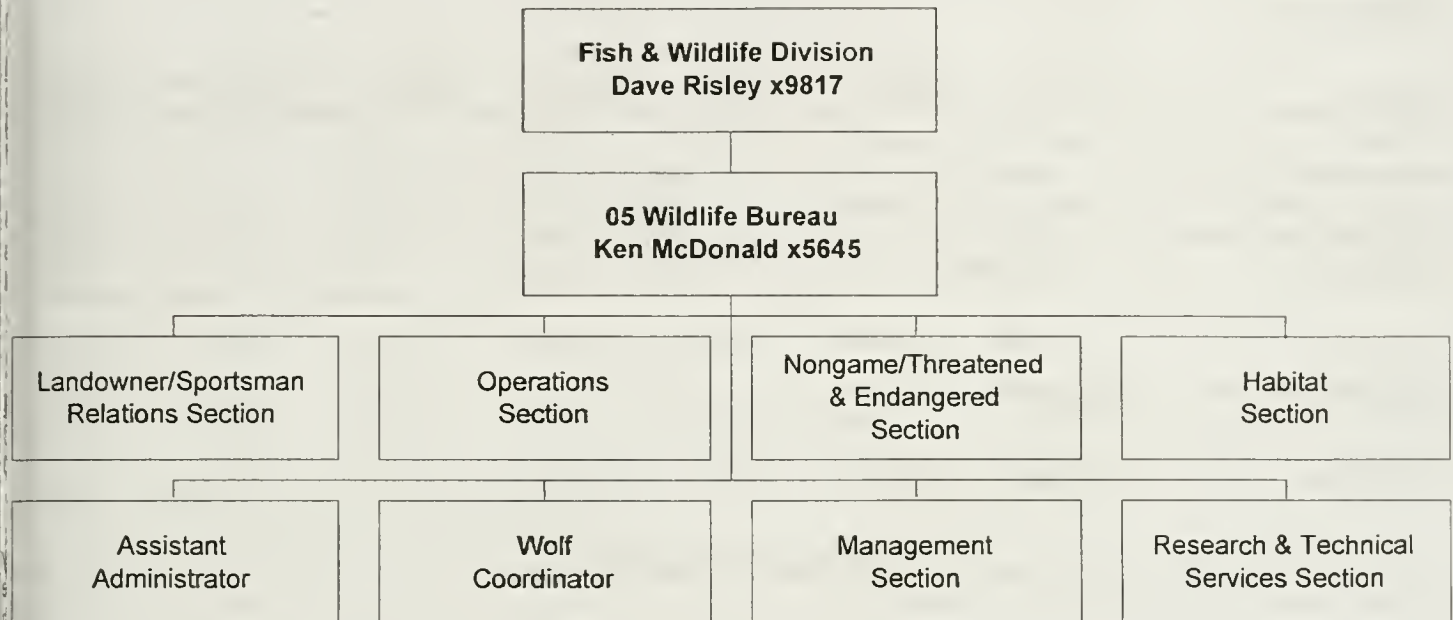
	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$38,800	\$0
FY 2013	\$38,800	\$0

PL- 402 - Enforcement Division Base Operations Adjustment -

This budget request is for \$38,800 per year in state and federal special revenue to restore law enforcement water safety funds that were not spent in the base year. Conditions at the start of the base year were cold and wet which reduced the amount of time needed to patrol waters. There were also multiple bear conflicts that required time spent away from water safety related duties. This funding is important to maintain visibility on Montana waterways for public safety and boating under the influence (BUI) enforcement.

**DEPARTMENT OF FISH, WILDLIFE & PARKS-5201
WILDLIFE DIVISION-05**

Please note that this program also contains proprietary funding (see Section P).



Program Description - The Wildlife Bureau is responsible for the conservation and management of Montana's 600+ birds, mammals, reptiles, and amphibians and their habitat. Activities include coordination and planning, monitoring the status of wildlife and habitats, conserving and enhancing wildlife habitat, and providing opportunity for public enjoyment of wildlife through hunting, trapping, and viewing. The program manages animals legislatively categorized as big game, nongame wildlife, migratory game birds, upland game, furbearers, and threatened and endangered species.

The bureau is divided into four areas of responsibility:

- 1) Habitat conservation includes acquisition of fee title lands, conservation easements, leases, and enhancement or restoration of both private and government-owned lands. This also includes reviewing potential land-use projects to help minimize impacts.
- 2) Management is directed towards understanding and managing wildlife, including survey and inventory to monitor wildlife populations; hunter and trapper harvest surveys to determine participation, effort, and species harvested; research directed toward answering specific management questions; and season and quota setting.
- 3) Hunting Access Enhancement includes the Block Management program, which provides financial and other incentives to private landowners to offset potential impacts associated with public hunting access; and the Hunter Access Enhancement program that secures access for hunters by purchasing land or easements, secures access to public land, and works to ensure access is maintained. Landowner/Sportsmen Relations staff work with landowners and sportsmen by establishing and maintaining communication with hunter and landowner organizations, and the livestock loss program that provides partial reimbursement to livestock owners for livestock verifiably killed by hunters.
- 4) Wildlife Conflict Prevention is a growing component of the Wildlife bureau that consists of several differing, divergent components including game damage, wildlife diseases, predation on livestock and domestic animals, and human - urban wildlife conflict. FWP seeks to prevent conflict through technical assistance, outreach, prevention, and if necessary, removal of offending animals.

**DEPARTMENT OF FISH, WILDLIFE & PARKS-5201
WILDLIFE DIVISION-05**

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2010	PL Base Adjustment Fiscal 2012	New Proposals Fiscal 2012	Total Exec. Budget Fiscal 2012	PL Base Adjustment Fiscal 2013	New Proposals Fiscal 2013	Total Exec. Budget Fiscal 2013
FTE	135.14	0.00	3.00	138.14	0.00	3.00	138.14
Personal Services	7,275,537	442,343	119,589	7,837,469	449,536	119,323	7,844,396
Operating Expenses	9,168,961	1,125,457	200,000	10,494,418	1,128,331	200,000	10,497,292
Equipment & Intangible Assets	46,091	0	0	46,091	0	0	46,091
Grants	141,050	0	0	141,050	0	0	141,050
Benefits & Claims	4,823	0	0	4,823	0	0	4,823
Total Costs	\$16,636,462	\$1,567,800	\$319,589	\$18,523,851	\$1,577,867	\$319,323	\$18,533,652
State/Other Special	11,513,567	1,380,240	26,795	12,920,602	1,383,934	26,661	12,924,162
Federal Special	5,122,895	187,560	292,794	5,603,249	193,933	292,662	5,609,490
Total Funds	\$16,636,462	\$1,567,800	\$319,589	\$18,523,851	\$1,577,867	\$319,323	\$18,533,652

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$850,000	\$0
FY 2013	\$850,000	\$0

PL- 503 - Reinstate Block Management -

This budget request is recommended to reinstate \$850,000 per year of state special revenue for the Hunting Access Enhancement Program. This funding was approved as one-time-only by the 2009 Legislature. In FY 2010, FWP increased hunter day payments to landowners by an average of 9% resulting in favorable comments from landowners and fewer landowners choosing to not re-enroll. Also, an additional 18 cooperators and nearly 500,000 acres were enrolled in the program. This request reflects \$750,000 for hunter access and \$100,000 for enforcement related work.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$23,000	\$0
FY 2013	\$23,000	\$0

PL- 504 - Reinstate Game Damage Herders -

This request is to restore \$23,000 per year of state special revenue for operations in the game damage program. This funding was approved as one time only by the 2009 Legislature. This authority will allow the program to hire local area ranch hands as short term workers under a modified level FTE to herd game animals away from crops and stored hay/grain in response to private landowner complaints of game damage. The need for herders varies from year to year based upon weather, animal distribution, and landowner ranch operations. With the funding, FWP can respond immediately and effectively to game damage complaints where herding is determined to be the most effective response.

DEPARTMENT OF FISH, WILDLIFE & PARKS-5201

WILDLIFE DIVISION-05

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$184,800	\$0
FY 2013	\$184,800	\$0

PL- 505 - Restore Auction Programs -

This budget request is to restore base state special revenue funding of \$184,800 per year. Statute allows FWP to auction one license per year for elk, goat, moose, and sheep with the auction proceeds dedicated to the management of the specific species. This request would adjust operations funding to allow for research on moose population declines based on an assessment being conducted in FY 2011; enhance monitoring of elk populations in areas where elk are significantly above/below objective; transplant mountain goats to enhance existing populations or establish new populations; transplant big horn sheep to enhance existing populations or establish new populations, and offset costs associated with disease outbreaks.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$25,000	\$0
FY 2013	\$25,000	\$0

PL- 506 - Restore Coming Home To Hunt Funding -

This decision package is to restore base state special revenue funding of \$25,000 per year. The 2009 Legislature approved the "Coming Home to Hunt" program (HB 585) which earmarked revenues from license sales to nonresidents who hunt with a resident sponsor for securing access across private lands to public lands. This program was in development during the base year so there were no expenditures.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$40,000	\$0
FY 2013	\$40,000	\$0

PL- 507 - Reinstate Migratory Bird Program -

This budget request is recommended to restore \$40,000 per year of state special revenue that is statutorily dedicated to the protection of wetlands. This funding was approved as one time only by the 2009 Legislature. The continuation of this funding would allow the agency to implement contracts for wetland habitat project monitoring.

-----New Proposals-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$319,589	\$0
FY 2013	\$319,323	\$0

NP- 501 - Elk Management Strategy for Brucellosis -

This budget request is for \$319,589 in FY 2012 and \$319,323 in FY 2013 in state and federal special revenue for staff and operations to implement an elk management strategy that helps to minimize the risk of disease transmission between elk and livestock in high-risk areas surrounding Yellowstone National Park. The strategy is directed toward minimizing the risk of disease transmission between elk and livestock during high risk periods. Risk minimization is achieved by understanding where the disease is present, understanding where and when the risk is highest, understanding elk distribution in the high risk areas, ensuring elk populations are managed at the publicly derived objectives, assessing potential factors that increase the risk of transmission, and implementing disease risk mitigation strategies (including but not limited to hazing, hunt coordination, access strategies, livestock management practices, etc.) at the herd unit scale.

**DEPARTMENT OF FISH, WILDLIFE & PARKS-5201
WILDLIFE DIVISION-05**

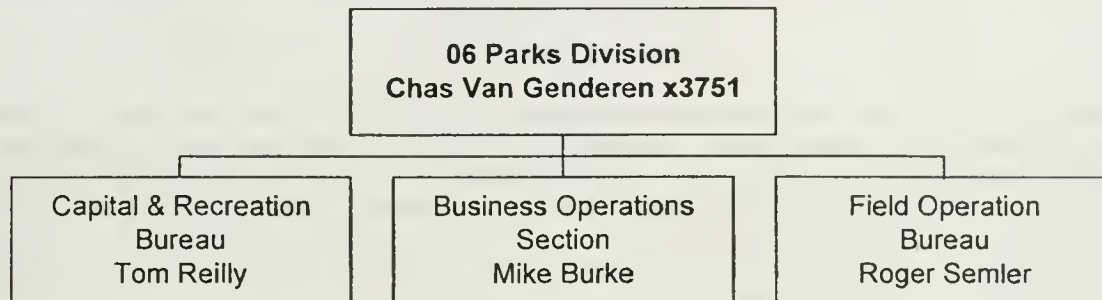
	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$0	\$0
FY 2013	\$0	\$0

NP- 508 - Upland Game Bird Enhancement Program Refund -

This zero dollar request replaces earmarked state special Upland Game Bird Enhancement Program (UGBEP) license dollars with federal special Pittman-Robertson dollars. This change will enable FWP to dedicate more UGBEP dollars to habitat projects.

DEPARTMENT OF FISH, WILDLIFE & PARKS-5201 PARKS DIVISION-06

Please note that this program also contains proprietary funding (see Section P).



Program Description - The Parks Division is responsible for conserving the scenic, historic, archaeological, scientific, and recreational resources of the state, and for providing for their use and enjoyment. The program includes 54 parks, 13 affiliated lands such as rifle ranges and recreation sites managed by local and federal agencies, and 334 fishing access sites. Other programs administered by the division include motorized and non-motorized trail grants and local government recreation grants. The division also provides architectural and engineering services for construction and maintenance projects at state parks, state fishing access sites and administrative facilities.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2010	PL Base Adjustment Fiscal 2012	New Proposals Fiscal 2012	Total Exec. Budget Fiscal 2012	PL Base Adjustment Fiscal 2013	New Proposals Fiscal 2013	Total Exec. Budget Fiscal 2013
FTE	120.26	6.23	0.00	126.49	6.23	0.00	126.49
Personal Services	5,507,202	665,210	0	6,172,412	664,324	0	6,171,526
Operating Expenses	2,821,984	330,424	0	3,152,408	335,713	0	3,157,697
Equipment & Intangible Assets	323,127	(56,727)	0	266,400	(56,727)	0	266,400
Grants	421,437	23,881	0	445,318	23,881	0	445,318
Transfers	0	0	0	0	0	0	0
Total Costs	\$9,073,750	\$962,788	\$0	\$10,036,538	\$967,191	\$0	\$10,040,941
State/Other Special	8,790,340	880,341	0	9,670,681	886,169	0	9,676,509
Federal Special	283,410	82,447	0	365,857	81,022	0	364,432
Total Funds	\$9,073,750	\$962,788	\$0	\$10,036,538	\$967,191	\$0	\$10,040,941

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$128,089	\$0
FY 2013	\$127,817	\$0

PL- 601 - Reinstate Parks Ops & Maintenance -

This budget request is recommended to restore \$128,089 in FY 2012 and \$127,817 in FY 2013 of state special revenue for state park operations and maintenance. Approximately \$100,000 of this funding was approved as one-time-only by the 2009 Legislature. This funding includes 2.08 FTE that provide a field manager at Pictograph Cave State Park in Billings, a field manager in Kalispell, and summer maintenance positions distributed statewide near Billings, Bozeman, Whitefish, Great Falls, and Missoula. The request also includes 0.25 FTE so the division can continue to provide a field manager at Traveler's Rest State Park, which was funded in the 2011 biennium with federal stimulus money.

**DEPARTMENT OF FISH, WILDLIFE & PARKS-5201
PARKS DIVISION-06**

Total Agency Impact General Fund Total

FY 2012	\$162,921	\$0
FY 2013	\$162,623	\$0

PL- 602 - Reinstate Fishing Access Site Ops & Maintenance -

This budget request is recommended to restore \$162,921 in FY 2012 and \$162,623 in FY 2013 of state and federal special revenue for Fishing Access Site (FAS) operations and maintenance. Approximately \$100,000 of this funding was approved as one time only by the 2009 Legislature. This funding includes 3.15 FTE that currently provide a FAS manager in Kalispell and two part-time rangers and summer field maintenance positions that maintain minimum levels of staffing necessary for basic maintenance and management of the FAS program statewide. The request also provides 0.75 FTE for a Madison River Ranger and the associated operations for staff formerly funded with a PPL Montana grant and BLM funds.

Total Agency Impact General Fund Total

FY 2012	(\$67,690)	\$0
FY 2013	(\$67,690)	\$0

PL- 603 - Restore Snowmobile Equipment (BIEN) -

This budget request is recommended to restore the biennial appropriation for snowmobile equipment to \$160,000 per year of state special revenue. This revenue is dedicated funding from the snowmobile fuel tax. Most of this biennial appropriation was spent in the base year in the 2011 biennium, resulting in an over-inflation of the 2013 biennium appropriation due to the way the base budget is calculated. A reduction of \$67,690 per year will correct the inflation. This request will provide for trail groomers to be used by volunteer-managed snowmobile clubs statewide to groom trails and provide a safe trail system for riders. The appropriation will allow replacement of some equipment over the biennium.

Total Agency Impact General Fund Total

FY 2012	\$85,000	\$0
FY 2013	\$85,000	\$0

PL- 604 - Restore Grants Administration Funding -

This request is to restore state special revenue of \$85,000 each year for operations funding needed to re-establish a modified level FTE for the Land and Water Conservation Fund (LWCF)/Trails Bureau Chief, which is critical for administration of several community grants programs the Parks Division is responsible for managing. This FTE provides grant administration for the LWCF program, the snowmobile trails program, the Off-Road Highway Vehicle (OHV) trails program, and the National Recreation Trails program.

Total Agency Impact General Fund Total

FY 2012	\$213,280	\$0
FY 2013	\$213,280	\$0

PL- 605 - Parks Base Operating Adjustment -

This budget request is for \$213,280 per year of state special revenue to restore the Parks Division base operating budget for the 2013 biennium. State special funds from the base year, FY 2010, were left unspent due to conservative budget management. This request primarily adjusts contract services, weed control, travel, and grounds and buildings.

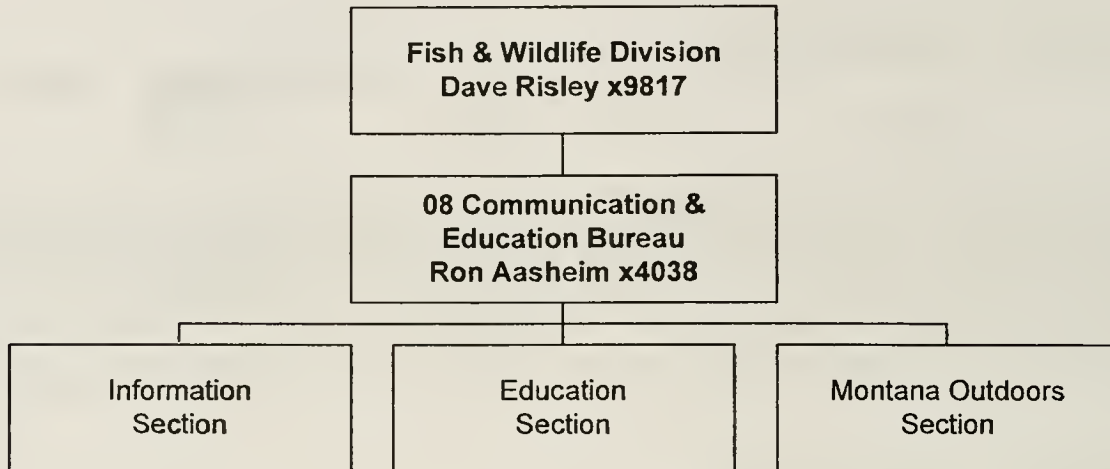
**DEPARTMENT OF FISH, WILDLIFE & PARKS-5201
PARKS DIVISION-06**

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$44,818	\$0
FY 2013	\$44,818	\$0

PL- 606 - Fishing Access Site Base Operating Adjustment -

This budget request is for \$44,818 per year of state special revenue to restore Fishing Access Site (FAS) base operating budget for the 2013 biennium. State special funds from the base year, FY 2010, were left unspent due to conservative budget management. This budget request primarily adjusts contract services and grounds maintenance.

**DEPARTMENT OF FISH, WILDLIFE & PARKS-5201
COMMUNICATION & EDUCATION DIVISION-08**



Program Description - The Communication & Education Bureau, through its Helena office and seven regional information and education managers, coordinates the department's information and education programs and department planning efforts. Specific responsibilities include:

- Distributing public information through news releases, audio-visual materials, brochures, Montana Outdoors Magazine, and public service announcements;
- Coordinating youth education programs;
- Coordinating the production of hunting, fishing, and trapping regulations;
- Coordinating the hunter, bow-hunter, trapper, snowmobile, boat and off-highway vehicle education, and safety programs;
- Providing reception services including the sale of licenses and disseminating of licensing and regulation information for the department's Helena Headquarters; and
- Facilitating FWP's strategic planning process.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2010	PL Base Adjustment Fiscal 2012	New Proposals Fiscal 2012	Total Exec. Budget Fiscal 2012	PL Base Adjustment Fiscal 2013	New Proposals Fiscal 2013	Total Exec. Budget Fiscal 2013
FTE	28.05	0.00	0.00	28.05	0.00	0.00	28.05
Personal Services	1,886,125	40,032	0	1,926,157	40,269	0	1,926,394
Operating Expenses	1,330,523	53,963	68,283	1,452,769	54,642	68,283	1,453,448
Grants	304,676	0	0	304,676	0	0	304,676
Total Costs	\$3,521,324	\$93,995	\$68,283	\$3,683,602	\$94,911	\$68,283	\$3,684,518
State/Other Special	2,820,825	69,392	56,583	2,946,800	70,923	56,583	2,948,331
Federal Special	700,499	24,603	11,700	736,802	23,988	11,700	736,187
Total Funds	\$3,521,324	\$93,995	\$68,283	\$3,683,602	\$94,911	\$68,283	\$3,684,518

**DEPARTMENT OF FISH, WILDLIFE & PARKS-5201
COMMUNICATION & EDUCATION DIVISION-08**

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$30,000	\$0
FY 2013	\$30,000	\$0

PL- 802 - Reinstate Comm Ed Operating Adjustment -

This budget request is recommended to restore \$30,000 per year of state special revenue in the Communication and Education Bureau. This funding was approved as one-time-only by the 2009 Legislature. This funding is used to provide public information through a variety of means regarding regulation changes, opportunities for public comment, and issues affecting hunting and fishing opportunities.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$19,000	\$0
FY 2013	\$19,000	\$0

PL- 803 - Restore Dingle-Johnson Federal Appropriation -

This request is for \$19,000 per year of federal special revenue to restore federal aid dollars (formerly known as Wallop-Breaux) for aquatic education purposes. Private individuals on contract did not utilize all dollars committed to their programs primarily due to scheduling issues with teachers. These private contractors and their efforts are vital to the success of Montana's Angler Education program. They provide an average of nearly 2,000 classroom education programs each school year, which far exceeds the capabilities of FWP staff.

-----New Proposals-----

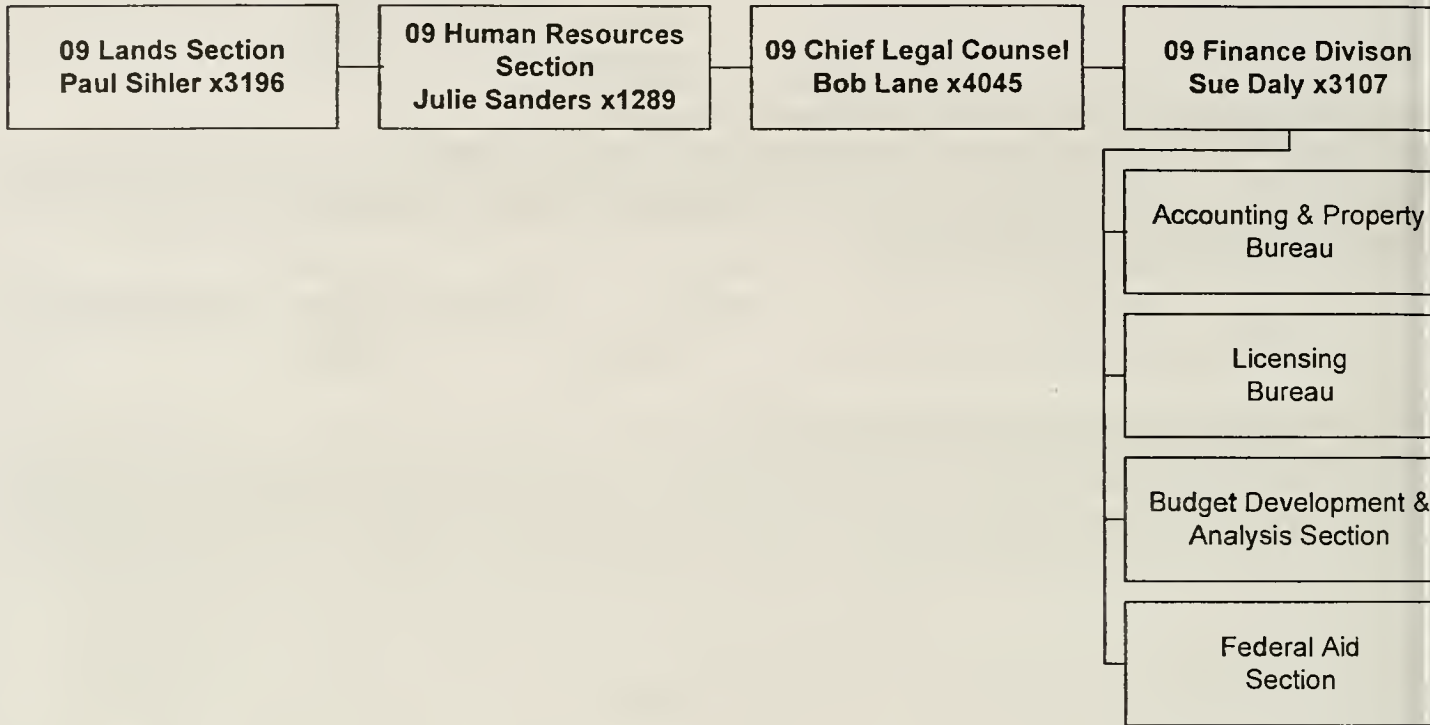
	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$68,283	\$0
FY 2013	\$68,283	\$0

NP- 801 - Montana Outdoor Discovery Center Operations -

This budget request is for \$68,283 per year of state and federal special revenue. Completion of renovations and opening of the Montana Outdoor Discovery Center is projected for early 2011. The 2005 Legislature originally approved funding for operations of the center but difficulty raising private matching funds and damage from a wildfire delayed completion and opening of the center. The agency did not spend the operations funding and therefore needs to restore base operating expenditures. Some programs will be eligible for federal aid reimbursement and funding sources have been adjusted to reduce the impact on the general license account.

DEPARTMENT OF FISH, WILDLIFE & PARKS-5201 MANAGEMENT & FINANCE-09

Please note that this program also contains proprietary funding (see Section P).



Program Description - The management sections of the division are responsible for: 1) Overall department direction regarding policy, planning, program development, guidelines, and budgets; 2) Liaison with the Governor's Office and the Legislature; 3) Interaction with the Fish, Wildlife and Parks Commission; 4) Decision-making for key resource activities affecting the department; 5) Liaison with Montana's Indian tribes and with other state and federal agencies; 6) Legal services for the department; 7) Human Resource Management; and 8) Real estate functions for the department.

The Finance sections of the division provide for: 1) Department-wide support for accounting; 2) Fiscal management; 3) Purchasing and property management; 4) Federal aid administration; 5) The sale of hunting, fishing, and other recreational licenses.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2010	PL Base Adjustment Fiscal 2012	New Proposals Fiscal 2012	Total Exec. Budget Fiscal 2012	PL Base Adjustment Fiscal 2013	New Proposals Fiscal 2013	Total Exec. Budget Fiscal 2013
FTE	63.12	0.50	0.00	63.62	0.50	0.00	63.62
Personal Services	3,600,691	242,859	0	3,843,550	244,501	0	3,845,192
Operating Expenses	5,004,981	86,097	0	5,091,078	21,921	0	5,026,902
Equipment & Intangible Assets	13,526	0	0	13,526	0	0	13,526
Transfers	58,869	40,783	0	99,652	40,783	0	99,652
Total Costs	\$8,678,067	\$369,739	\$0	\$9,047,806	\$307,205	\$0	\$8,985,272
State/Other Special	8,613,983	360,187	0	8,974,170	313,682	0	8,927,665
Federal Special	64,084	9,552	0	73,636	(6,477)	0	57,607
Proprietary	0	0	0	0	0	0	0
Total Funds	\$8,678,067	\$369,739	\$0	\$9,047,806	\$307,205	\$0	\$8,985,272

**DEPARTMENT OF FISH, WILDLIFE & PARKS-5201
MANAGEMENT & FINANCE-09**

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$50,164	\$0
FY 2013	\$50,043	\$0

PL- 901 - Legal Unit Workload Efforts -

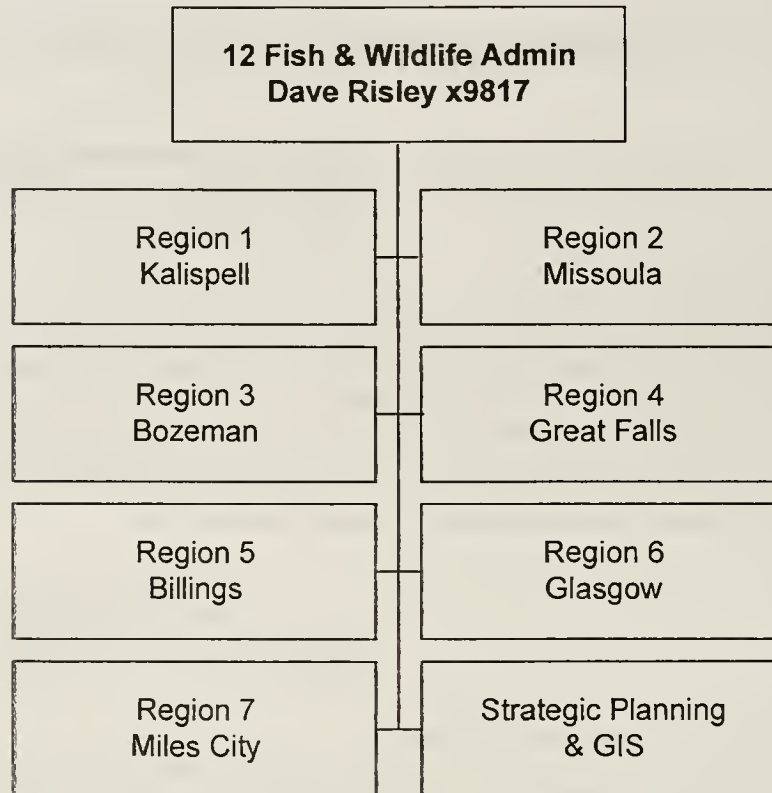
This request is for \$50,164 in FY 2012 and \$50,043 in FY 2013 of state special revenue. The Legal Unit workload has steadily increased to the point that the legal staff cannot keep up. The primary reasons for the increase include a significant increase in litigation in federal courts defending Endangered Species Act delisting decisions (wolves, grizzly bear) increased litigation in state district courts defending agency management decisions such as the contract for caretaking of quarantined bison; significant increases in objections to protect FWP's in-stream water rights before the Water Court; and an increase in legal work in the acquisition, monitoring, and enforcement of conservation easements for fish and wildlife habitat. This request would increase a half-time attorney to a full-time position rather than contract with private sector attorneys which would result in significantly higher costs per hour.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$40,783	\$0
FY 2013	\$40,783	\$0

PL- 903 - Search and Rescue Base Operating Adjustment -

This budget request is recommended to restore \$40,783 of state special revenue each year of the biennium to re-establish authority to transfer cash to the Department of Military Affairs for costs incurred by search and rescue clubs when searching for hunters, anglers or trappers. The revenue source for these funds is \$0.25 for each conservation license sold which is statutorily dedicated for this purpose.

**DEPARTMENT OF FISH, WILDLIFE & PARKS-5201
FISH & WILDLIFE ADMINISTRATION-12**



Program Description - Administration of the Fish & Wildlife Division includes oversight of the Enforcement, Wildlife, Fisheries, and Communication & Education programs and the seven regional offices that are responsible for program implementation. The Strategic Planning section uses information and planning processes to develop strategic guidance for the director and develop operational guidance for the division's operations and ensures that the agency is engaged in external federal, state and local planning processes that impact the agency. The Data Services section is responsible for maintenance and support of biological databases MFISH and MWILD; all FWP Geographic Information System (GIS) data, applications and training; and FWP's website.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2010	PL Base Adjustment Fiscal 2012	New Proposals Fiscal 2012	Total Exec. Budget Fiscal 2012	PL Base Adjustment Fiscal 2013	New Proposals Fiscal 2013	Total Exec. Budget Fiscal 2013
FTE	46.46	0.00	1.00	47.46	0.00	1.00	47.46
Personal Services	2,568,091	56,859	56,039	2,680,989	55,982	55,901	2,679,974
Operating Expenses	925,635	(14,714)	31,750	942,671	(13,311)	31,750	944,074
Equipment & Intangible Assets	9,316	0	0	9,316	0	0	9,316
Grants	69,342	0	0	69,342	0	0	69,342
Total Costs	\$3,572,384	\$42,145	\$87,789	\$3,702,318	\$42,671	\$87,651	\$3,702,706
State/Other Special	3,430,760	58,266	43,894	3,532,920	58,530	43,825	3,533,115
Federal Special	141,624	(16,121)	43,895	169,398	(15,859)	43,826	169,591
Total Funds	\$3,572,384	\$42,145	\$87,789	\$3,702,318	\$42,671	\$87,651	\$3,702,706

DEPARTMENT OF FISH, WILDLIFE & PARKS-5201
FISH & WILDLIFE ADMINISTRATION-12

-----New Proposals-----

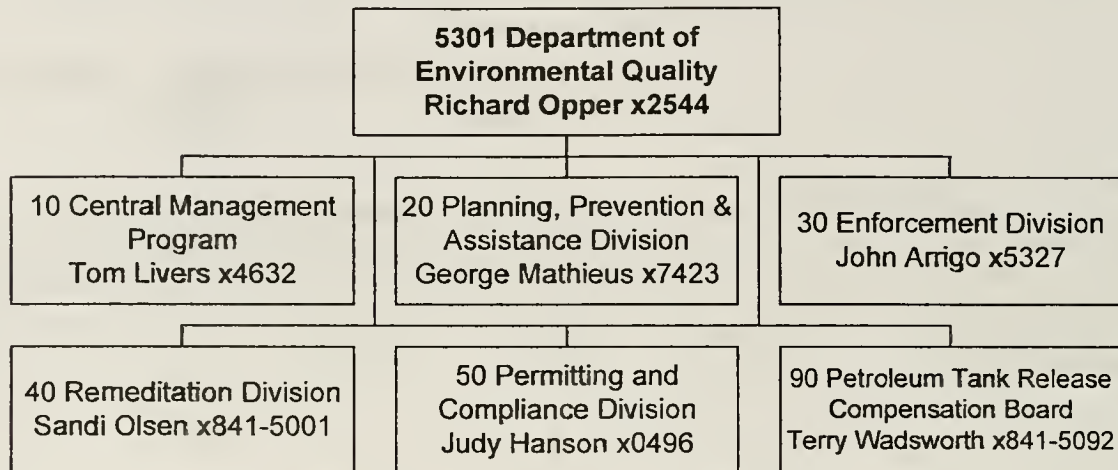
	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$87,789	\$0
FY 2013	\$87,651	\$0

NP- 1201 - Restore Urban Wildlife Planner -

This budget request is for \$87,789 in FY 2012 and \$87,651 in FY 2013 of state and federal special revenue. The Urban Wildlife Planner position was approved as OTO by the 2009 Legislature. The 1.00 FTE planner is a land use planning specialist that has provided critical expertise and direction on residential development and transportation impacts on Montana's fish and wildlife resources at the county and state level. This position also fills a critical need for the agency for updates to the Comprehensive Fish and Wildlife Strategy by providing land use information related to development and crucial areas and corridors.

DEPARTMENT OF ENVIRONMENTAL QUALITY-5301

Please note that this agency also contains proprietary funding (see Section P).



Mission Statement - To protect, promote, and improve a clean and healthful environment to benefit present and future generations.

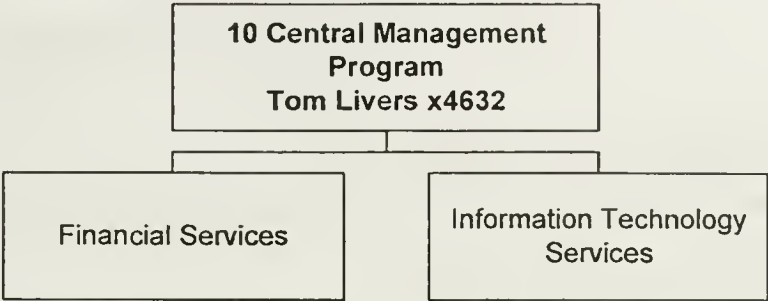
Statutory Authority - Titles 2, 7, 37, 50, 69, 75, 76, 80, 82 and 90, MCA; USC 24, 30, 33 and 42; PL No. 92-500, 95-87, 91, 95-224 and 99-519.

Language - "The Department is authorized to decrease federal special revenue in the water pollution control and/or drinking water revolving loan programs and to increase state special revenue by a like amount within the administration account when the amount of federal capitalization funds have been expended or when federal funds and bond proceeds will be used for other program purposes."

Agency Proposed Budget							
Budget Item	Base Budget Fiscal 2010	PL Base Adjustment Fiscal 2012	New Proposals Fiscal 2012	Total Exec. Budget Fiscal 2012	PL Base Adjustment Fiscal 2013	New Proposals Fiscal 2013	Total Exec. Budget Fiscal 2013
FTE	387.29	0.00	(1.85)	385.44	0.00	(1.85)	385.44
Personal Services	24,209,977	2,862,498	(146,735)	26,925,740	2,873,965	(146,750)	26,937,192
Operating Expenses	20,595,563	8,186,874	124,815	28,907,252	8,156,901	124,815	28,877,279
Equipment & Intangible Assets	80,932	513,588	0	594,520	513,588	0	594,520
Grants	1,473,211	318,597	0	1,791,808	333,250	0	1,806,461
Transfers	20,414	0	0	20,414	0	0	20,414
Total Costs	\$46,380,097	\$11,881,557	(\$21,920)	\$58,239,734	\$11,877,704	(\$21,935)	\$58,235,866
General Fund	5,341,202	271,634	(146,735)	5,466,101	274,665	(146,750)	5,469,117
State/Other Special	22,697,176	8,316,242	124,815	31,138,233	8,319,534	124,815	31,141,525
Federal Special	18,341,719	3,293,681	0	21,635,400	3,283,505	0	21,625,224
Total Funds	\$46,380,097	\$11,881,557	(\$21,920)	\$58,239,734	\$11,877,704	(\$21,935)	\$58,235,866

DEPARTMENT OF ENVIRONMENTAL QUALITY-5301 CENTRAL MANAGEMENT PROGRAM-10

Please note that this program also contains proprietary funding (see Section P).



Program Description - The Central Management Program consists of the Director's Office, a Financial Services office, and an Information Technology Office. It is the organizational component of DEQ responsible and accountable for the administration, management, planning, and evaluation of agency performance in carrying out department mission and statutory responsibilities. The Director's Office includes the director's staff, the deputy director, an administrative officer, a public information officer, a centralized legal services unit, and a centralized personnel office. The Financial Services Office provides budgeting, accounting, payroll, procurement, and contract management support to other divisions. The Information Technology Office provides information technology services support to other divisions.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2010	PL Base Adjustment Fiscal 2012	New Proposals Fiscal 2012	Total Exec. Budget Fiscal 2012	PL Base Adjustment Fiscal 2013	New Proposals Fiscal 2013	Total Exec. Budget Fiscal 2013
FTE	9.75	0.00	(0.47)	9.28	0.00	(0.47)	9.28
Personal Services	783,187	117,889	(41,998)	859,078	116,799	(42,176)	857,810
Operating Expenses	1,057,038	82,038	0	1,139,076	81,961	0	1,138,999
Total Costs	\$1,840,225	\$199,927	(\$41,998)	\$1,998,154	\$198,760	(\$42,176)	\$1,996,809
General Fund	327,767	120,185	(41,998)	405,954	120,197	(42,176)	405,788
State/Other Special	1,200,299	50,230	0	1,250,529	49,498	0	1,249,797
Federal Special	312,159	29,512	0	341,671	29,065	0	341,224
Total Funds	\$1,840,225	\$199,927	(\$41,998)	\$1,998,154	\$198,760	(\$42,176)	\$1,996,809

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$79,440	\$16,232
FY 2013	\$79,361	\$16,232

PL- 1001 - Program 10 Non-Proprietary Operations Adjustment -

This operating adjustment is for \$79,440 in FY 2012 and \$79,361 in FY 2013 in general, state special, and federal special revenue to restore spending authority in the attorney pool within the Director's Office of the Central Management Program. Expenditures were short \$30,000 in the base year due to vacancy savings targets and an employee taking voluntary leave without pay. Included in this adjustment are expenditures totaling \$40,000 that were not included in the base budget due to OTO restrictions from last biennium.

**DEPARTMENT OF ENVIRONMENTAL QUALITY-5301
CENTRAL MANAGEMENT PROGRAM-10**

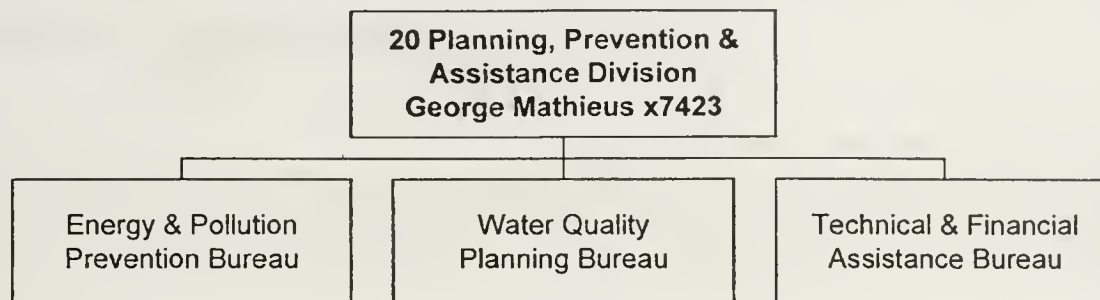
-----New Proposals-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	(\$41,998)	(\$41,998)
FY 2013	(\$42,176)	(\$42,176)

NP- 55400 - 4% Personal Services Reduction (Pgm 10) -

The Governor has included a 4% reduction in general fund personal services budgets as a part of his budget recommendations. This decision package reduces the Central Management Program by \$41,998 in FY 2012 and \$42,176 in FY 2013 to implement the budget reduction. The reduction includes the elimination of 0.47 FTE. This reduction reduces a part time position in the MEPA program.

**DEPARTMENT OF ENVIRONMENTAL QUALITY-5301
PLANNING, PREVENTION & ASSISTANCE DIVISION-20**



Program Description - The division 1) finances construction and improvement of community drinking water and wastewater systems and provides engineering review and technical assistance to community water infrastructure planners; 2) finances energy saving retrofits of public buildings and renewable energy systems for homeowners and small businesses; 3) provides technical assistance and education to builders, homeowners, and businesses on energy efficiency and renewable energy, indoor air quality, radon, recycling, and solid waste reduction; 4) assists small businesses in reducing emissions and complying with environmental regulations; 5) monitors water quality conditions, assesses potential pollution problems, and aids industry to achieve cost effective compliance with water quality laws and regulations; 6) assists communities in planning for energy, watershed, air shed, and solid and hazardous waste management; 7) develops water quality restoration plans (Total Maximum Daily Loads or TMDLs); 8) proposes rules, drafts policy and develops water quality standards. The division consists of three bureaus: Technical and Financial Assistance, Water Quality Planning, and Energy and Pollution Prevention, along with a Financial Management and Budgeting Unit.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2010	PL Base Adjustment Fiscal 2012	New Proposals Fiscal 2012	Total Exec. Budget Fiscal 2012	PL Base Adjustment Fiscal 2013	New Proposals Fiscal 2013	Total Exec. Budget Fiscal 2013
TE	84.50	0.00	(0.62)	83.88	0.00	(0.62)	83.88
Personal Services	5,475,919	720,677	(57,427)	6,139,169	723,156	(57,288)	6,141,787
Operating Expenses	4,867,811	1,934,695	124,815	6,927,321	1,926,448	124,815	6,919,074
Equipment & Intangible Assets	0	28,000	0	28,000	28,000	0	28,000
Transfers	12,914	0	0	12,914	0	0	12,914
Total Costs	\$10,356,644	\$2,683,372	\$67,388	\$13,107,404	\$2,677,604	\$67,527	\$13,101,775
General Fund	2,728,401	36,495	(57,427)	2,707,469	35,235	(57,288)	2,706,348
State/Other Special	1,636,631	976,672	124,815	2,738,118	976,955	124,815	2,738,401
Federal Special	5,991,612	1,670,205	0	7,661,817	1,665,414	0	7,657,026
Total Funds	\$10,356,644	\$2,683,372	\$67,388	\$13,107,404	\$2,677,604	\$67,527	\$13,101,775

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$1,782,751	\$0
FY 2013	\$1,774,265	\$0

PL- 2002 - Planning, Prevention & Asst. Div Operating Adjust -

This operating adjustment is for \$1,782,751 in FY 2012 and \$1,774,265 in FY 2013 in state special and federal special revenue to restore spending authority for the base budget in the Planning, Prevention, and Assistance Division. Base expenditures were low due to (1) spending of ARRA funds which reduced normal HB 2 expenditures in the base year; 2) administrative appropriations for contracts with other state agencies where the work was not completed within the base year; 3) reduced operating costs related to vacant positions; and 4) Dept of Energy special projects grant authority.

**DEPARTMENT OF ENVIRONMENTAL QUALITY-5301
PLANNING, PREVENTION & ASSISTANCE DIVISION-20**

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$164,000	\$0
FY 2013	\$164,000	\$0

PL- 2004 - Universal System Benefits Additional Authority -

This request is for an additional \$164,000 per year in state special revenue authority. Universal System Benefits Fund revenues have increased over the past several years and authority to expend these funds is requested. Funds are used for electrical efficiency projects, renewable energy projects, and education in the Montana-Dakota Utilities service area.

-----**New Proposals**-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$124,815	\$0
FY 2013	\$124,815	\$0

NP- 2006 - Alternative Energy Revolving Loan Pgm Operating -

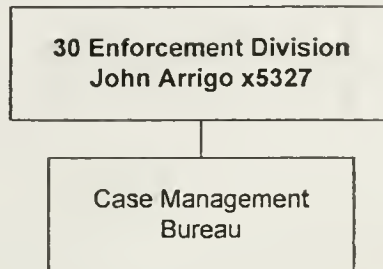
This request is to authorize expenditure of \$124,815 per year of state special revenue from the Alternative Energy Revolving Loans made with ARRA funding. These funds revolve back as state special revenue funds and these expenditures will be used for program operating costs in the next biennium. The U.S. Department of Energy encouraged states, where feasible, to use the one-time ARRA funds in revolving programs that would continue to provide benefits after the initial funds were expended.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	(\$57,427)	(\$57,427)
FY 2013	(\$57,288)	(\$57,288)

NP- 55400 - 4% Personal Services Reduction (Pgm 20) -

The Governor has included a 4% reduction in general fund personal services budgets as a part of his budget recommendations. This decision package reduces the Planning, Prevention, and Assistance Program by \$57,427 in FY 2012 and \$57,288 in FY 2013 to implement the budget reduction. The reduction includes the elimination of 0.62 FTE. This reduction reduces a full time environmental science specialist position to part time.

**DEPARTMENT OF ENVIRONMENTAL QUALITY-5301
ENFORCEMENT DIVISION-30**



Program Description - The Enforcement Division is responsible for formal enforcement of the public health and environmental protection laws and rules administered by the department. Division staff works with department attorneys and regulatory programs to draft administrative orders, calculate penalties, negotiate settlements, and monitor compliance with orders issued by the department. The division also manages a complaint clearinghouse that responds to and tracks citizen complaints and reports of spills or releases of materials.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2010	PL Base Adjustment Fiscal 2012	New Proposals Fiscal 2012	Total Exec. Budget Fiscal 2012	PL Base Adjustment Fiscal 2013	New Proposals Fiscal 2013	Total Exec. Budget Fiscal 2013
TE	15.00	0.00	(0.27)	14.73	0.00	(0.27)	14.73
Personal Services	989,329	73,008	(17,658)	1,044,679	73,370	(17,717)	1,044,982
Operating Expenses	294,362	81,812	0	376,174	80,645	0	375,007
Total Costs	\$1,283,691	\$154,820	(\$17,658)	\$1,420,853	\$154,015	(\$17,717)	\$1,419,989
General Fund	552,549	23,275	(17,658)	558,166	22,912	(17,717)	557,744
State/Other Special	436,067	54,706	0	490,773	54,453	0	490,520
Federal Special	295,075	76,839	0	371,914	76,650	0	371,725
Total Funds	\$1,283,691	\$154,820	(\$17,658)	\$1,420,853	\$154,015	(\$17,717)	\$1,419,989

-----**Present Law Adjustments**-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$81,553	\$32,644
FY 2013	\$80,325	\$32,152

PL- 3001 - Enforcement Operations Adjustment -

This operating adjustment is for \$81,553 in FY 2012 and \$80,325 in FY 2013 in general, state special, and federal special revenue to restore spending authority in Enforcement Division. Funds for this request are primarily needed for personal services indirect costs not spent due to vacancy savings, an internal promotion, and an ADA accommodation. Additional expenditures include lab analysis, postage costs, field supplies, training, and in-state travel necessary to respond to and validate citizen complaints and spills. Included in this adjustment are expenditures totaling \$66,750 that were not included in the base budget due to OTO restrictions from last biennium.

**DEPARTMENT OF ENVIRONMENTAL QUALITY-5301
ENFORCEMENT DIVISION-30**

-----**New Proposals**-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	(\$17,658)	(\$17,658)
FY 2013	(\$17,717)	(\$17,717)

NP- 55400 - 4% Personal Services Reduction (Pgm 30) -

The Governor has included a 4% reduction in general fund personal services budgets as a part of his budget recommendations. This decision package reduces the Enforcement Program by \$17,658 in FY 2012 and \$17,717 in FY 2013 to implement the budget reduction. The reduction includes the elimination of 0.27 FTE.

**DEPARTMENT OF ENVIRONMENTAL QUALITY-5301
REMEDATION DIVISION-40**



Program Description - The Remediation Division protects human health and the environment by restoring contaminated sites to a level that prevents exposure to hazardous substances that have been released to soil, sediment, surface water or groundwater. The division also ensures compliance with state and federal regulations. It oversees and conducts or supports remedial investigation and efficient, cost-effective cleanup activities at state and federal Superfund sites; supervises voluntary cleanup activities; reclaims abandoned mine lands; implements corrective actions at sites with leaking petroleum storage tanks; and oversees groundwater remediation at sites where improper placement of wastes has caused groundwater contamination. This division is divided into two bureaus. The Hazardous Waste Site Cleanup Bureau oversees or conducts the investigation and cleanup of sites contaminated by chemical spills, hazardous substances, and petroleum released by industrial and commercial operations. The bureau works with the Petroleum Tank Release Compensation Board for eligibility and reimbursement determinations. The Mine Waste Cleanup Bureau is responsible for administering and overseeing remedial actions at historical mine sites, abandoned mines, and ore transport and processing facilities. It also oversees the state provisions of the federal Comprehensive Environmental Response and Liability Act (CERCLA or federal Superfund program).

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2010	PL Base Adjustment Fiscal 2012	New Proposals Fiscal 2012	Total Exec. Budget Fiscal 2012	PL Base Adjustment Fiscal 2013	New Proposals Fiscal 2013	Total Exec. Budget Fiscal 2013
TE	63.01	0.00	0.00	63.01	0.00	0.00	63.01
Personal Services	3,289,972	1,052,493	0	4,342,465	1,055,222	0	4,345,194
Operating Expenses	7,205,103	2,259,101	0	9,464,204	2,259,431	0	9,464,534
Equipment & Intangible Assets	0	475,648	0	475,648	475,648	0	475,648
Transfers	7,500	0	0	7,500	0	0	7,500
Total Costs	\$10,502,575	\$3,787,242	\$0	\$14,289,817	\$3,790,301	\$0	\$14,292,876
State/Other Special	5,124,647	2,785,633	0	7,910,280	2,786,471	0	7,911,118
Federal Special	5,377,928	1,001,609	0	6,379,537	1,003,830	0	6,381,758
Total Funds	\$10,502,575	\$3,787,242	\$0	\$14,289,817	\$3,790,301	\$0	\$14,292,876

DEPARTMENT OF ENVIRONMENTAL QUALITY-5301

REMEDIATION DIVISION-40

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$432,462	\$0
FY 2013	\$432,462	\$0

PL- 4001 - Remediation Division Operations Adjustments -

This operating adjustment is for \$432,462 in FY 2012 and FY 2013 in state special and federal special revenue to restore base budget spending authority for the Mine Waste Cleanup Bureau (MWCB), Fiscal and Administrative Services Bureau (FAS), and Hazardous Waste Site Cleanup Bureau (HWSCB) in the Remediation Division. An adjustment is required due to (1) potential retirements in FAS and HWSCB; (2) training for personnel in MWCB, FAS, and HWSCB; and (3) for contracted services in MWCB and HWSCB (consultants, professional services, legal services, and IT services). The contracted services utilized by the HWSCB were less than planned in the base year. Legal and IT services supporting cleanups are vital due to the complexity of the issues related to the cleanups. These services will be utilized to conduct oversight, track data trends, develop needed guidance, conduct enforcement actions if needed, and to contract for implementation of cleanup construction plans as needed.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$750,000	\$0
FY 2013	\$750,000	\$0

PL- 4002 - S&W Claims Payments (OTO/Bien/Rest) -

This one time only, biennial, restricted request is for \$1.5 million in state special revenue orphan share funds. Title 75, Chapter 10, part 743, MCA, was amended in 2009 to allow liable parties to seek reimbursement of orphan share claims when the remedial investigation of a contaminated site has been completed rather than having to wait until cleanup is completed to apply for any reimbursement. The remedial investigation at the S&W site in Darby is expected to be completed in FY 2013 or sooner. Therefore, the department anticipates receiving a claim for those orphan share costs prior to the end of the biennium. Orphan share costs are the share of costs for a remedial action that are attributable to a responsible party that is defunct, bankrupt or otherwise insolvent. The previously approved orphan share allocation under the statute requires the department to reimburse 39% of the remedial investigation costs at this site. These costs are estimated to be up to \$1,500,000 of the total investigation cost. Therefore, the department is seeking the spending authority necessary to reimburse these claims.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$1,100,000	\$0
FY 2013	\$1,100,000	\$0

PL- 4003 - GO Bond Sales NPL sites (OTO/Bien/Rest) -

This one-time-only, biennial, restricted request is for \$2.2 million in spending authority for CERCLA GO Bonds and the associated debt service expenditures. Title 75, Chapter 10, parts 623 and 624, MCA, authorizes the sale of general obligation Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA) bonds to meet the state's obligations for federal match requirements at national priority list (NPL) sites regulated under the federal CERCLA, better known as federal superfund law. DEQ has an obligation to provide a 10% match to federal funds expended for remedial actions at the Carpenter/Snow and Barker/Hughesville NPL sites. Remedial action to clean up mine waste from residential yards is expected to start in the summer of 2012 at Neihart. Barker/Hughesville work remediating waste dumps and tailings that are impacting adjacent drainages would start about the same time. DEQ anticipates selling \$2.2 million in bonds in August 2012 to meet the initial obligation at these sites. Bonds would be repaid using the CERCLA match debt service fund established in 75-10-622, MCA.

**DEPARTMENT OF ENVIRONMENTAL QUALITY-5301
REMEDIATION DIVISION-40**

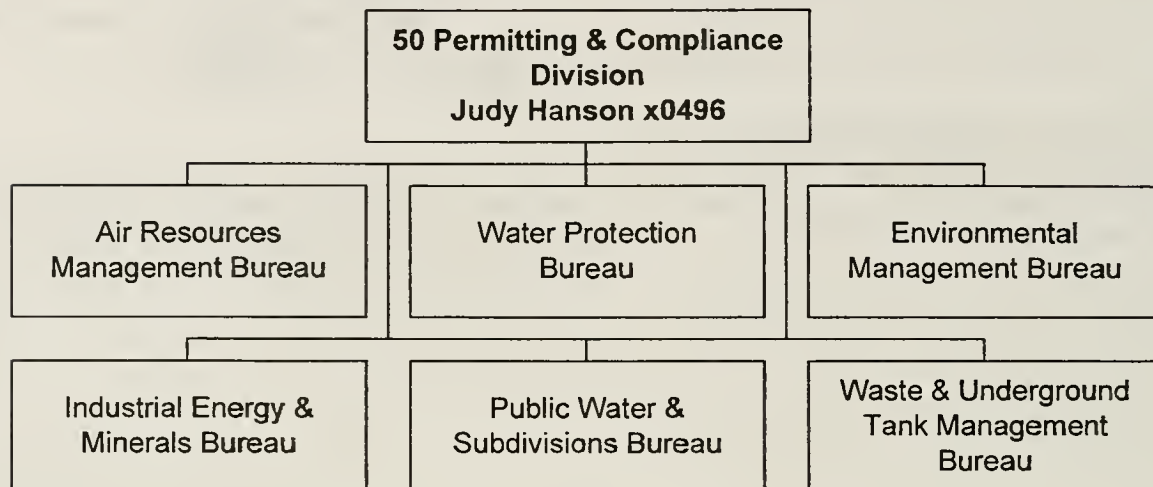
	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$540,648	\$0
FY 2013	\$540,648	\$0

PL- 4004 - Upgrade ACCESS Database (OTO/BIEN/REST) -

This request is for \$540,648 per year in state special and federal special revenue for the Remediation Division to upgrade its tanks database through an ACCESS upgrade or conversion from ACCESS to SQL. This upgrade will allow more effective management of the approximately 3,750 permitted underground storage tank sites and 1,500 petroleum release sites.

DEPARTMENT OF ENVIRONMENTAL QUALITY-5301

PERMITTING & COMPLIANCE DIVISION-50



Program Description - The Permitting and Compliance Division administers all DEQ permitting and compliance activities based on 17 state regulatory and 5 related federal authorities. The division: 1) reviews and assesses environmental permit applications (coordinating with other state, local, and federal agencies) to determine control measures needed to ensure compliance with the law and to prevent land, water, and air conditions detrimental to public health welfare, safety, and the environment; 2) prepares supporting environmental documents under the Montana Environmental Policy Act and provides training and technical assistance when needed; 3) inspects to determine compliance with permit conditions, laws, and rules; and 4) when compliance problems are discovered, provides assistance to resolve the facility's compliance issues, and when necessary recommends formal enforcement actions to the Enforcement Division. Activities are organized in the Air Resources Management Bureau (air); Industrial and Energy Minerals Bureau (coal, uranium, opencut); Environmental Management Bureau (hard rock, facility siting); Public Water and Subdivision Bureau (public water supply, subdivision, and operator certification); Water Protection Bureau (water discharge); and Waste and Underground Tank Management Bureau (solid waste, junk vehicles, septage pumpers, hazardous waste, asbestos, underground storage tanks, and meth standards).

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2010	PL Base Adjustment Fiscal 2012	New Proposals Fiscal 2012	Total Exec. Budget Fiscal 2012	PL Base Adjustment Fiscal 2013	New Proposals Fiscal 2013	Total Exec. Budget Fiscal 2013
FTE	209.03	0.00	(0.49)	208.54	0.00	(0.49)	208.54
Personal Services	13,311,323	899,582	(29,652)	14,181,253	904,260	(29,569)	14,186,014
Operating Expenses	6,958,473	3,697,339	0	10,655,812	3,676,470	0	10,634,943
Equipment & Intangible Assets	80,932	9,940	0	90,872	9,940	0	90,872
Grants	1,473,211	318,597	0	1,791,808	333,250	0	1,806,461
Total Costs	\$21,823,939	\$4,925,458	(\$29,652)	\$26,719,745	\$4,923,920	(\$29,569)	\$26,718,290
General Fund	1,732,485	91,679	(29,652)	1,794,512	96,321	(29,569)	1,799,237
State/Other Special	13,726,509	4,318,263	0	18,044,772	4,319,053	0	18,045,562
Federal Special	6,364,945	515,516	0	6,880,461	508,546	0	6,873,491
Total Funds	\$21,823,939	\$4,925,458	(\$29,652)	\$26,719,745	\$4,923,920	(\$29,569)	\$26,718,290

**DEPARTMENT OF ENVIRONMENTAL QUALITY-5301
PERMITTING & COMPLIANCE DIVISION-50**

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$50,000	\$50,000
FY 2013	\$50,000	\$50,000

PL- 5002 - Restore Counties Air Quality Program Funding -

This request is to restore \$50,000 per year in general fund for programs that currently exist but were not included in the base budget due to one-time-only restrictions from last biennium. The Air Quality Program requires \$100,000 in pass-through funds to counties to fund local air quality programs. The agency currently has contracts with Missoula, Yellowstone, Cascade, Gallatin, Flathead, and Lewis & Clark counties.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$1,750,000	\$0
FY 2013	\$1,750,000	\$0

PL- 5003 - Hard Rock & Major Facility Siting Projects (BIEN/RST) -

This biennial, restricted request is for \$1,750,000 per year in state special revenue for projects administered by the Hard Rock and Major Facility Siting Act Programs (MFSA). Hard Rock mining reclamation of \$3,000,000 will be used for operation and maintenance of the Zortman Landusky mine site and the funding will come from the Metalliferous Mines License Tax. MFSA projects totaling \$400,000 will allow the expenditure of these fees for MFSA analysis for projects that arise during the coming biennium. Bond forfeitures and settlements of \$100,000 will be used for reclamation of mine sites and will be funded by settlement agreements or by forfeitures of various reclamation surety bonds.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$1,128,111	(\$136,348)
FY 2013	\$1,114,777	(\$136,495)

PL- 5011 - PCD Operations Adjustment-Funding Constraints -

This request is to reestablish the operating budget in the Subdivision Program, the Air Resources Management Bureau, and the Water Protection Bureau. All three of these units had unspent funds in their FY 2010 base due to funding constraints. In addition to leaving positions open, they also did not enter into contracts, reduced their travel and under-pent in other operating categories. Funding is adjusted in general, state special, and federal special revenue. (1) The Subdivision Program was directly impacted by the economic downturn. Subdivision applications were for five or fewer lots instead of applications for subdivisions with hundreds of lots. This significantly reduced revenues. The agency took actions to reduce staffing and expenditures, including: reduction in force, transfers to programs with vacancies and funding, reducing hours of remaining employees, and voluntary retirement. This request is to partially restore the appropriation so that when subdivision activity rebounds, spending authority exists to increase hours for staff, possibly fill some vacancies, and increase the statutorily required reimbursement to counties. (2) The Air Resources Management Bureau purposely left vacant positions open in order to not increase the tonnage rate of fees assessed on the permitted industries. The rate established for air fees has historically been based on the appropriation to fund the program in relationship to the tons of air emissions. Reduced air emissions over the past two years due to controls placed on the refineries from the Environmental Protection Agency (EPA) and the closures of facilities would have caused an increase in the fee rate of approximately 30% from FY 2010 to FY 2011. (3) The Water Protection Bureau also left positions vacant due to insufficient revenues. This has hampered a program that has historically had a permit backlog and lack of infrastructure (databases, rule development, and guidance manuals), resulting in a program that is not operating at full capacity and efficiency.

**DEPARTMENT OF ENVIRONMENTAL QUALITY-5301
PERMITTING & COMPLIANCE DIVISION-50**

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$357,761	\$140,000
FY 2013	\$355,638	\$140,000

PL- 5012 - PCD Operations Adjustment-Mining Programs -

This request is to reestablish \$357,761 in FY 2012 and \$355,638 in general, state special, and federal special revenue operating budgets for the mining programs in order to respond to the changing environmental impacts of mining by entering into contracts to evaluate situations and collect and analyze samples. The department requests to reestablish the budget in order to have the flexibility to respond to new and amendment applications anticipated on a number of mines, including Otter Creek.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$256,684	\$21,637
FY 2013	\$252,946	\$21,142

PL- 5013 - PCD Operations Adjustment-Public Water Supply -

This request is to reestablish \$256,684 in FY 2012 and \$252,946 in FY 2013 in general, state special, and federal special revenue base operating budget in the Public Water Supply Program. This program had an unusually high turnover rate during the base year. As a result, expenditures were not made for normal program operations that are necessary for a fully staffed program. This request will help ensure monitoring the safety of the state's drinking water systems, performing inspections, providing technical assistance and education, and working with systems when their water is unsafe for human consumption.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$458,643	\$16,626
FY 2013	\$470,524	\$16,348

PL- 5014 - PCD Ops Adjustment-Meth/Admin/WUTMB -

This request is to restore \$458,643 in FY 2012 and \$470,524 in FY 2013 in general, state special, and federal special revenue base operating budget in the meth program, division administration, and the Waste & Underground Tanks Management Bureau (WUTMB). The Meth Standards program requires \$20,000 to fund operating expenses associated with the program requirements, including but not limited to providing education, training, and testing for contractor certification, travel, supplies, communications and web maintenance. The majority of this request is in the Junk Vehicle Program in the form of county grant reimbursements and reimbursements to local tow operators who remove abandoned vehicles from roadsides. Other adjustments include restoration of travel funds for routine inspections and for off-site technical training.

-----**New Proposals**-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	(\$29,652)	(\$29,652)
FY 2013	(\$29,569)	(\$29,569)

NP- 55400 - 4% Personal Services Reduction (Pgm 50) -

The Governor has included a 4% reduction in general fund personal services budgets as a part of his budget recommendations. This decision package reduces the Permitting and Compliance Division by \$29,652 in FY 2012 and \$29,568 in FY 2013 to implement the budget reduction. The reduction includes the elimination of 0.49 FTE. This reduction reduces a full time environmental engineer position to part time.

DEPARTMENT OF ENVIRONMENTAL QUALITY-5301 PETROLEUM TANK RELEASE COMPENSATION BOARD-90

**90 Petroleum Tank Release
Compensation Board
Terry Wadsworth x841-5092**

Program Description - The Petroleum Tank Release Compensation Board is responsible for administering the petroleum tank release cleanup fund. This includes reimbursement to petroleum storage tank owners and operators for corrective action costs and compensation paid to third parties for bodily injury and property damage resulting from a release of petroleum from a petroleum storage tank. The board is responsible for responding to and working with private individuals, corporations, other state agencies, the Governor's Office, the legislature, federal agencies, and other interested parties with activities relative to petroleum storage tanks. It is attached to the DEQ for administrative purposes.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2010	PL Base Adjustment Fiscal 2012	New Proposals Fiscal 2012	Total Exec. Budget Fiscal 2012	PL Base Adjustment Fiscal 2013	New Proposals Fiscal 2013	Total Exec. Budget Fiscal 2013
TE	6.00	0.00	0.00	6.00	0.00	0.00	6.00
Personal Services	360,247	(1,151)	0	359,096	1,158	0	361,405
Operating Expenses	212,776	131,889	0	344,665	131,946	0	344,722
Total Costs	\$573,023	\$130,738	\$0	\$703,761	\$133,104	\$0	\$706,127
State/Other Special	573,023	130,738	0	703,761	133,104	0	706,127
Total Funds	\$573,023	\$130,738	\$0	\$703,761	\$133,104	\$0	\$706,127

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$146,821	\$0
FY 2013	\$146,878	\$0

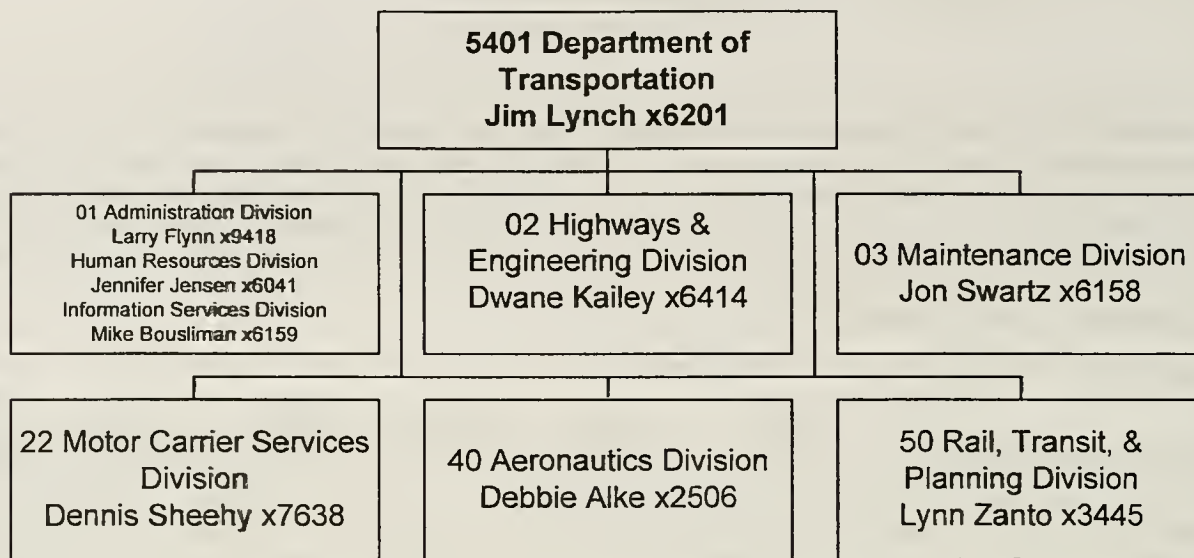
PL- 9001 - Petroleum Board Operations Adjustment -

This request is to restore \$146,821 in FY 2012 and \$146,878 in FY 2013 in state special revenue funds for the Petroleum Tank Release Compensation Board. This operating adjustment is necessary for legal contracting due to low base year expenditures in supplies, training costs, indirect costs, and legal fees as the board was awaiting a ruling from the Secretary of State on the issue of statute of limitations.

Language Recommendations - "The department is appropriated up to \$500,000 of the funds recovered under the petroleum tank compensation board subrogation program in the 2013 biennium for the purpose of paying contract expenses related to the recovery of funds."

DEPARTMENT OF TRANSPORTATION-5401

Please note that this agency also contains proprietary funding (see Section P).



Mission Statement - To serve the public by providing a transportation system and services that emphasize quality, safety, cost effectiveness, economic vitality, and sensitivity to the environment.

Statutory Authority - Title 2, Chapter 15, part 25; and Titles 23 and 60, MCA; USC 134 and 135; Title 23, Chapter 1, CFR.

Language - "The department may adjust appropriations in the general operations, construction, maintenance, and transportation planning programs between state special revenue and federal special revenue funds if the total state special revenue authority for these programs is not increased by more than 10% of the total appropriations established by the Legislature for each program."

"All federal special revenue appropriations in the department are biennial."

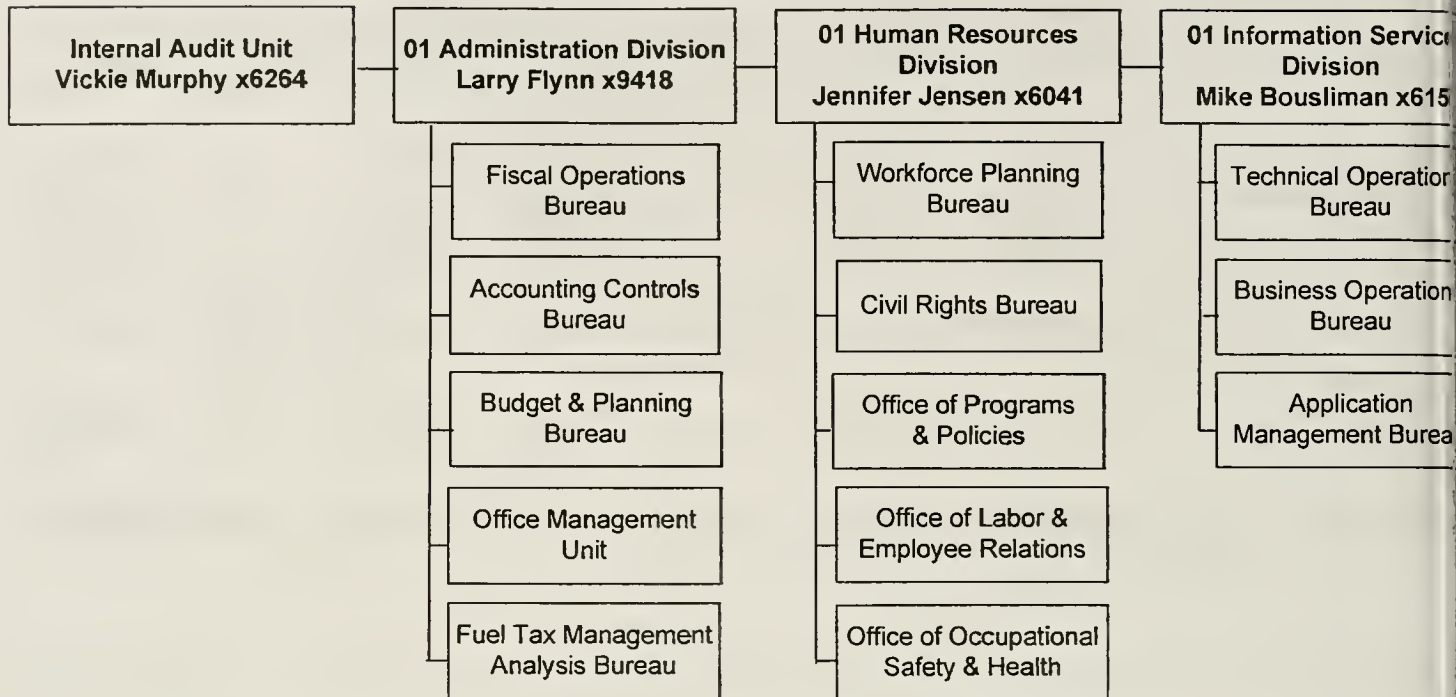
"All appropriations in the general operations, construction, maintenance, and transportation planning programs are biennial."

"All remaining federal pass-through grant appropriations for highway traffic safety, including reversions for the 2011 biennium, are authorized to continue and are appropriated in FY 2012 and FY 2013."

DEPARTMENT OF TRANSPORTATION-5401

Agency Proposed Budget							
Budget Item	Base Budget Fiscal 2010	PL Base Adjustment Fiscal 2012	New Proposals Fiscal 2012	Total Exec. Budget Fiscal 2012	PL Base Adjustment Fiscal 2013	New Proposals Fiscal 2013	Total Exec. Budget Fiscal 2013
TE	2,111.26	0.00	0.00	2,111.26	0.00	0.00	2,111.26
Personal Services	126,893,928	16,709,189	0	143,603,117	16,747,543	0	143,641,471
Operating Expenses	318,017,294	168,055,588	356,250	486,429,132	167,044,819	356,250	485,418,363
Equipment & Intangible Assets	2,974,142	13,325	0	2,987,467	0	0	2,974,142
Capital Outlay	28,099,207	(4,882,864)	0	23,216,343	(4,882,864)	0	23,216,343
Grants	19,468,999	1,183,380	0	20,652,379	1,183,380	0	20,652,379
Transfers	1,407,892	10,818	0	1,418,710	10,818	0	1,418,710
Total Costs	\$496,861,462	\$181,089,436	\$356,250	\$678,307,148	\$180,103,696	\$356,250	\$677,321,408
General Fund	0	0	0	0	0	0	0
State/Other Special	199,536,189	62,900,411	0	262,436,600	62,555,711	0	262,091,900
Federal Special	297,325,273	118,189,025	356,250	415,870,548	117,547,985	356,250	415,229,508
Proprietary	0	0	0	0	0	0	0
Total Funds	\$496,861,462	\$181,089,436	\$356,250	\$678,307,148	\$180,103,696	\$356,250	\$677,321,408

DEPARTMENT OF TRANSPORTATION-5401 GENERAL OPERATIONS PROGRAM-01



Program Description - The General Operations Program provides overall policy direction and management to the agency as well as administers motor fuel taxes and provides administrative support services for the department, including general administration and management; accounting and budgeting; public affairs; information technology services; human resources activities; compliance review; and goods and services procurement. The General Operations Program is authorized by 2-15-2501(3), MCA.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2010	PL Base Adjustment Fiscal 2012	New Proposals Fiscal 2012	Total Exec. Budget Fiscal 2012	PL Base Adjustment Fiscal 2013	New Proposals Fiscal 2013	Total Exec. Budget Fiscal 2013
FTE	186.37	0.00	0.00	186.37	0.00	0.00	186.37
Personal Services	12,203,608	1,142,209	0	13,345,817	1,141,337	0	13,344,945
Operating Expenses	11,811,027	630,030	0	12,441,057	385,799	0	12,196,826
Equipment & Intangible Assets	62,770	0	0	62,770	0	0	62,770
Grants	339,479	7,386	0	346,865	7,386	0	346,865
Total Costs	\$24,416,884	\$1,779,625	\$0	\$26,196,509	\$1,534,522	\$0	\$25,951,406
State/Other Special	22,560,630	1,411,869	0	23,972,499	1,246,589	0	23,807,219
Federal Special	1,856,254	367,756	0	2,224,010	287,933	0	2,144,187
Total Funds	\$24,416,884	\$1,779,625	\$0	\$26,196,509	\$1,534,522	\$0	\$25,951,406

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$17,806	\$0
FY 2013	\$17,806	\$0

PL- 103 - Overtime/Differential -

This request restores zero-based overtime and differential pay with associated benefits of \$17,806 per year of state special revenue.

**DEPARTMENT OF TRANSPORTATION-5401
GENERAL OPERATIONS PROGRAM-01**

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$6,328	\$0
FY 2013	\$6,709	\$0

L- 104 - Equipment Rental -

This request for \$6,328 in FY 2012 and \$6,709 in FY 2013 of state special revenue increase to adjust for expected rates for rental equipment to provide adequate revenue to the Equipment Program.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$52,590	\$0
FY 2013	\$84,383	\$0

L- 106 - Merchant Credit Card Fees -

This request is to restore \$52,590 in FY 2012 and \$84,383 in FY 2013 of state special revenue to cover increased merchant credit card fees due to an increase in customers paying for permits, licenses and other MDT services via credit cards. This funding was approved as one-time-only by the 2009 Legislature.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$208,853	\$0
FY 2013	\$208,853	\$0

L- 107 - Federal Grants Programs -

This budget request is to increase the authority in several federal programs up to the allowed federal expenditure levels. The funding is federal special revenue of \$208,853 per year for the following: Disadvantaged Business Enterprise (\$162,595), MDT Training Grant (\$38,872), and the Salish Kootenai College OJT (\$7,386).

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$194,442	\$0
FY 2013	\$215,961	\$0

L- 111 - Restore Computer Services Contract Funding -

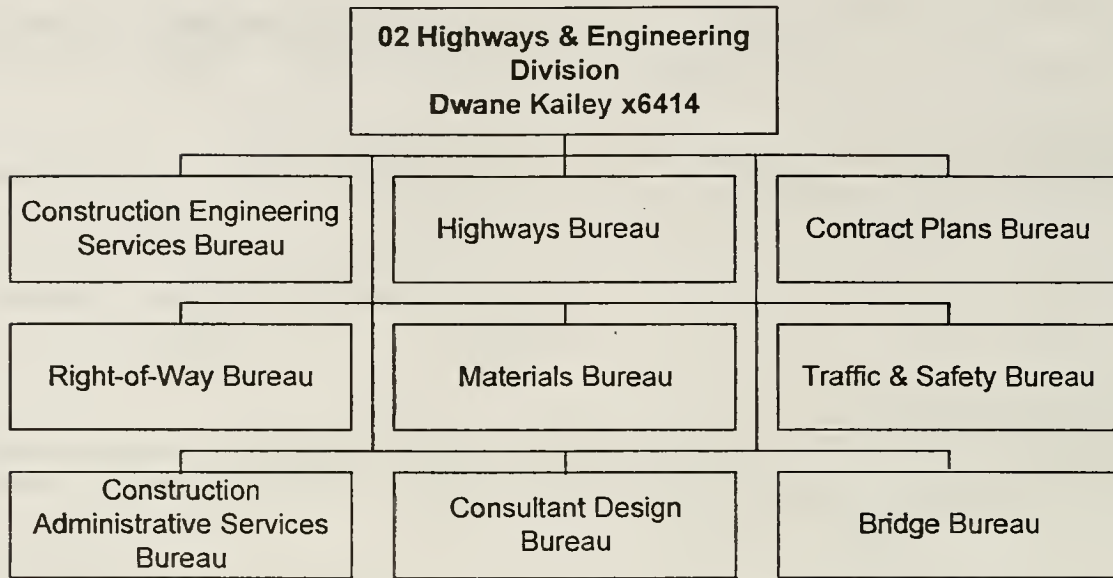
This request is for \$194,442 in FY 2012 and \$215,961 in FY 2013 of state special revenue to restore base funding levels and scheduled maintenance and system enhancements for permitting, registration, and licensing systems. These systems include permitting for commercial motor vehicles and other entities, International Fuel Tax Agreement (IFTA) licenses, and International Registration Plan (IRP) vehicle registrations. This system provides the public a consistent and accurate manner of obtaining these required permits, licenses, and vehicle registrations as required by state and federal laws.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$64,500	\$0
FY 2013	\$8,100	\$0

L- 112 - Fuel Tax Evasion Grant -

This request is for an increase of \$64,500 in FY 2012 and \$8,100 in FY 2013 of federal special revenue to spend Federal Fuel Tax Evasion Grant funds on system enhancements to allow electronic filing of International Fuel Tax Agreement (IFTA) and Special Fuel User (SU) tax returns, increased costs of IFTA decals, and other costs associated with tax evasion.

DEPARTMENT OF TRANSPORTATION-5401 CONSTRUCTION PROGRAM-02



Program Description - The Construction Program is responsible for construction project planning and development from the time a project is included in the long-range work plan through the actual construction. Program responsibilities include such tasks as design, right-of-way acquisitions, issuing contract bids, awarding contracts, and administering construction contracts. Contract administration is the documentation, inspection, and testing of highway construction materials from the time the contract is awarded to a private contractor until the project is completed and the work is approved. The program also provides traffic improvement and educational programs to promote public safety, health, and welfare. The Construction Program is mandated by 2-15-2501(1), MCA; Title 60, MCA; and 23 USC 116.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2010	PL Base Adjustment Fiscal 2012	New Proposals Fiscal 2012	Total Exec. Budget Fiscal 2012	PL Base Adjustment Fiscal 2013	New Proposals Fiscal 2013	Total Exec. Budget Fiscal 2013
FTE	924.72	0.00	0.00	924.72	0.00	0.00	924.72
Personal Services	54,877,333	11,937,739	0	66,815,072	11,936,466	0	66,813,799
Operating Expenses	230,071,884	129,789,115	0	359,860,999	129,883,158	0	359,955,042
Equipment & Intangible Assets	1,829,537	0	0	1,829,537	0	0	1,829,537
Capital Outlay	28,059,193	(5,000,000)	0	23,059,193	(5,000,000)	0	23,059,193
Grants	6,246,931	0	0	6,246,931	0	0	6,246,931
Total Costs	\$321,084,878	\$136,726,854	\$0	\$457,811,732	\$136,819,624	\$0	\$457,904,502
State/Other Special	55,225,282	22,155,457	0	77,380,739	22,245,658	0	77,470,940
Federal Special	265,859,596	114,571,397	0	380,430,993	114,573,966	0	380,433,562
Total Funds	\$321,084,878	\$136,726,854	\$0	\$457,811,732	\$136,819,624	\$0	\$457,904,502

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$130,401,776	\$0
FY 2013	\$130,401,776	\$0

PL- 202 - Contractor Payments/Federal Aid -

This request is for \$130,401,776 per year of combined state special and federal special revenue to achieve preliminary contractor payment levels of \$330,000,000 in both FY 2012 and FY 2013.

DEPARTMENT OF TRANSPORTATION-5401

CONSTRUCTION PROGRAM-02

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$1,027,441	\$0
FY 2013	\$1,053,993	\$0

PL- 205 - Equipment Rental -

This request for \$1,027,441 in FY 2012 and \$1,053,993 in FY 2013 of state and federal special revenue increase to adjust for expected rates for rental equipment to provide adequate revenue to the Equipment Program.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$3,789,320	\$0
FY 2013	\$3,789,320	\$0

PL- 206 - Overtime/Differential -

This request restores zero-based overtime and differential pay with associated benefits of \$3,789,320 per year of state and federal special revenue.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	(\$7,000,000)	\$0
FY 2013	(\$7,000,000)	\$0

PL- 207 - Program Reductions -

This request is to reduce utility and land payment funding by \$7.0 million annually in state and federal special revenue due to the completion of two major projects in the base year - Shiloh Road and Kalispell Bypass.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$165,596	\$0
FY 2013	\$229,087	\$0

PL- 208 - Licensing Fees -

This request is for \$165,596 in FY 2012 and \$229,087 in FY 2013 of state and federal special revenue to fund industry driven licensing fee increases. The Highways and Engineering Division utilizes several engineering systems to deliver the highway construction program that require payment of licensing fees to third parties. These third-party systems include SiteManager, Trans*port, Pontus, Opus, Birtus and Computer Aided Design and Drafting (CADD). Each of these systems is witnessing 10% annual increases to their licensing fees in the next biennium. In addition, the new contract required for CADD includes a 14% initial licensing fee increase.

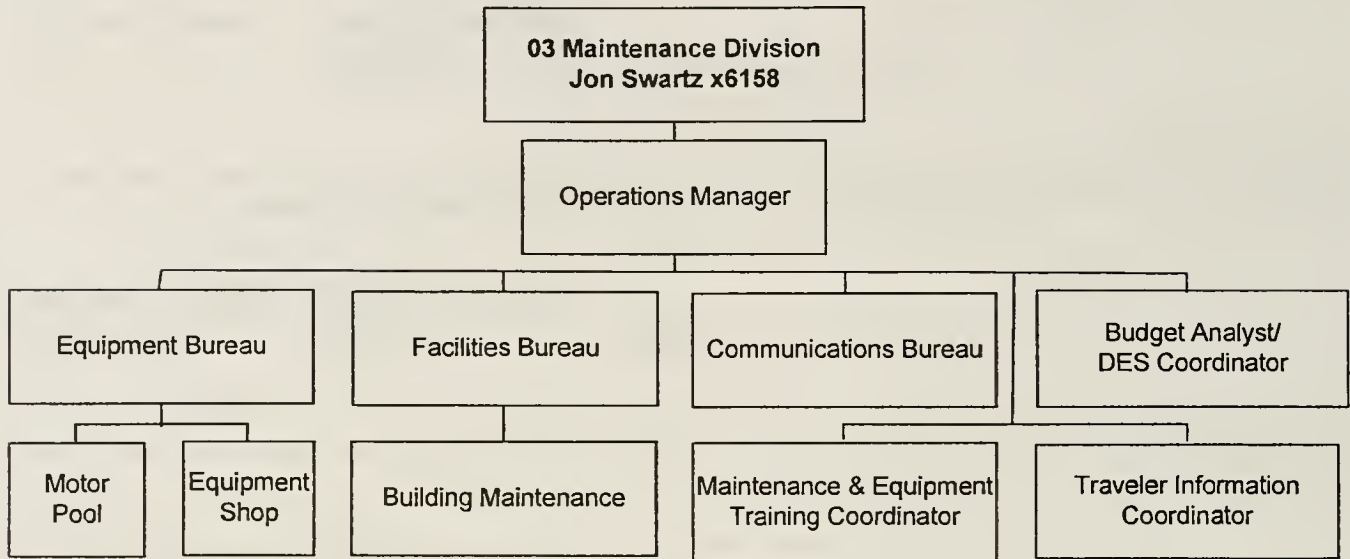
	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$182,803	\$0
FY 2013	\$182,803	\$0

PL- 209 - Federal Aid Project Delivery -

This request restores the regular federal aid program with \$182,803 per year in state and federal special revenue. Base year expenditures were low due to non-base actual costs incurred by construction engineers, inspectors and technicians for in-state travel on GARVEE projects (Highway 93) and the ARRA stimulus projects.

DEPARTMENT OF TRANSPORTATION-5401

MAINTENANCE PROGRAM-03



Program Description - The Maintenance program is responsible for the repair, maintenance, and preservation of approximately 25,000 lane miles of roadways. Activities include but are not limited to: winter maintenance, reactive and preventive pavement preservation, pavement marking, signing, roadway striping, noxious weed control, traveler information, disaster and emergency services coordination, MDT's long range building program and state funded construction program, communications program, quality control, and any other necessary roadway and roadside repairs and maintenance. The Maintenance program is authorized by 2-15-2501(1), MCA; Title 60, MCA, and 23 USC 116.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2010	PL Base Adjustment Fiscal 2012	New Proposals Fiscal 2012	Total Exec. Budget Fiscal 2012	PL Base Adjustment Fiscal 2013	New Proposals Fiscal 2013	Total Exec. Budget Fiscal 2013
FTE	765.67	0.00	0.00	765.67	0.00	0.00	765.67
Personal Services	44,840,938	3,548,058	0	48,388,996	3,589,940	0	48,430,878
Operating Expenses	69,769,773	34,374,908	0	104,144,681	34,672,773	0	104,442,546
Equipment & Intangible Assets	1,023,078	0	0	1,023,078	0	0	1,023,078
Capital Outlay	40,014	117,136	0	157,150	117,136	0	157,150
Total Costs	\$115,673,803	\$38,040,102	\$0	\$153,713,905	\$38,379,849	\$0	\$154,053,652
State/Other Special	108,455,027	37,671,495	0	146,126,522	38,011,242	0	146,466,269
Federal Special	7,218,776	368,607	0	7,587,383	368,607	0	7,587,383
Total Funds	\$115,673,803	\$38,040,102	\$0	\$153,713,905	\$38,379,849	\$0	\$154,053,652

**DEPARTMENT OF TRANSPORTATION-5401
MAINTENANCE PROGRAM-03**

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$253,050	\$0
FY 2013	\$270,550	\$0

PL- 301 - Secondary Roads - Maintenance costs -

This budget request is for \$253,050 in FY 2012 and \$270,550 in FY 2013 of state special revenue to maintain additional secondary road miles. The 56th Montana Legislature enacted SB 333 which requires the Department of Transportation to maintain eligible paved secondary roads as of January 1, 2001. At least 149 lane miles of additional secondary roads are projected to become eligible for MDT to maintain in the 2013 biennium.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$193,826	\$0
FY 2013	\$193,826	\$0

PL- 304 - Rest Area Maintenance -

This request is for \$193,826 per year of state special revenue for the service and upkeep of the new Harlowton, Lima, and reconstructed Dearborn rest areas. These rest areas require daily servicing and upkeep in the 2013 biennium.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$61,752	\$0
FY 2013	\$61,752	\$0

PL- 305 - Additional Maintenance Miles -

This request is for an increase of \$61,752 annually of state and federal special revenue to fund additional road maintenance responsibility due to the increase in lane miles from highway construction projects. Funding would be used to address additional operational costs associated with increased utility costs for luminaire and traffic signal lights along with the purchase of materials for winter maintenance operations.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$30,000,000	\$0
FY 2013	\$30,000,000	\$0

PL- 314 - State Funded Construction -

This request is for an additional \$30,000,000 in state special revenue in each year of the biennium for an increased level of State Funded Construction contracts. This request supports MDT's pavement condition goals, congestion goals, and creates additional opportunities to maintain and enhance Montana's existing roadways.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$3,456,762	\$0
FY 2013	\$3,664,461	\$0

PL- 315 - Equipment Rental -

This request is for \$3,456,762 in FY 2012 and \$3,664,461 in FY 2013 of state special revenue to adjust for expected rates for rental equipment to provide adequate revenue to the Equipment Program.

DEPARTMENT OF TRANSPORTATION-5401

MAINTENANCE PROGRAM-03

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$2,077,868	\$0
FY 2013	\$2,077,868	\$0

PL- 316 - Overtime/Differential -

This request restores zero-based overtime and differential pay with associated benefits of \$2,077,868 per year of state special revenue.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$272,425	\$0
FY 2013	\$272,425	\$0

PL- 317 - Pavement Marking Program -

This request is for \$272,425 per year of state and federal special revenue for projected needs for the pavement markings program. Although projects were planned, not all projects were completed in the base year due to weather delays and problems with product delivery.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$150,009	\$0
FY 2013	\$150,009	\$0

PL- 318 - Noxious Weed Program -

This budget request is for \$150,009 per year of state special revenue for projected needs for the Noxious Weed Program. Due to weather impacts, counties could not complete herbicide applications as planned in the base year; therefore, the base does not reflect a full plan year of noxious weed program expenditures.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$50,014	\$0
FY 2013	\$50,014	\$0

PL- 319 - Billings City Contract -

This decision package is for \$50,014 per year of state special revenue for the Billings City Maintenance Contract. MDT contracts with the City of Billings to perform routine road maintenance, traffic signal maintenance, and sign maintenance on state owned roadways within the city limits and not all project expenditures were completed in the base year so are not captured in the base budget.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$117,136	\$0
FY 2013	\$117,136	\$0

PL- 320 - Land Purchase -

This budget request is for \$117,136 per year in state special revenue for land purchases. Stockpile and communication sites that were expected to be made did not go through as planned in the base year. These sites will continue to be pursued for purchase.

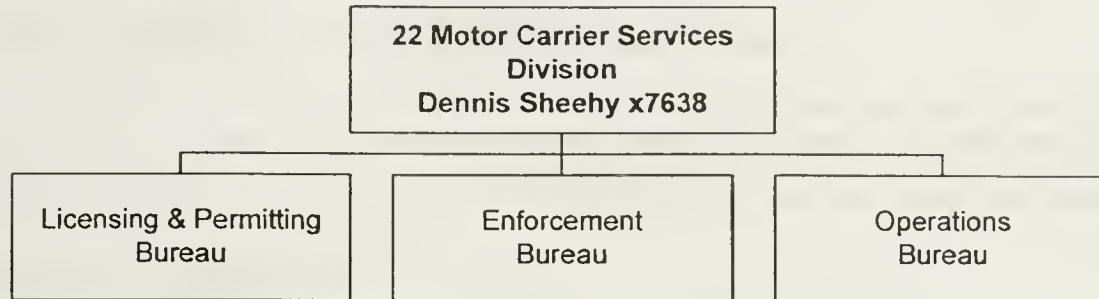
	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$13,840	\$0
FY 2013	\$13,840	\$0

PL- 321 - Janitorial Service Contracts -

This request is for \$13,840 per year in state special revenue for caretaker and janitorial services for various rest area sites. This adjustment is required to account for increased costs as three contracts will re-bid in the 2013 biennium.

DEPARTMENT OF TRANSPORTATION-5401

MOTOR CARRIER SERVICES DIVISION-22



Program Description - The Motor Carrier Services Division (MCS) administers Montana's commercial motor carrier size, weight, safety, registration, and dyed fuel enforcement programs. The Licensing & Permitting Bureau registers interstate commercial vehicles, issues oversize/overweight permits, and collects and distributes fees and taxes. The Enforcement Bureau enforces state and federal commercial motor carrier laws and regulations and operates Montana's statewide network of weigh stations and mobile enforcement officers. The Operations Bureau manages the statewide Motor Carrier Safety Assistance Program (MCSAP) to assure commercial vehicles, drivers, and motor carriers are compliant with state safety laws and federal regulations by conducting vehicle and driver inspections and motor carrier compliance reviews and safety audits. The Motor Carrier Services program is mandated in Title 61, Chapter 10, MCA.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2010	PL Base Adjustment Fiscal 2012	New Proposals Fiscal 2012	Total Exec. Budget Fiscal 2012	PL Base Adjustment Fiscal 2013	New Proposals Fiscal 2013	Total Exec. Budget Fiscal 2013
TE	123.00	0.00	0.00	123.00	0.00	0.00	123.00
Personal Services	7,226,320	(22,074)	0	7,204,246	(17,889)	0	7,208,431
Operating Expenses	1,487,194	2,944,936	0	4,432,130	1,736,650	0	3,223,844
Equipment & Intangible Assets	0	13,325	0	13,325	0	0	0
Total Costs	\$8,713,514	\$2,936,187	\$0	\$11,649,701	\$1,718,761	\$0	\$10,432,275
State/Other Special	7,038,309	1,428,697	0	8,467,006	766,916	0	7,805,225
Federal Special	1,675,205	1,507,490	0	3,182,695	951,845	0	2,627,050
Total Funds	\$8,713,514	\$2,936,187	\$0	\$11,649,701	\$1,718,761	\$0	\$10,432,275

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$1,884,096	\$0
FY 2013	\$840,288	\$0

PL- 2201 - United Carrier Registration (UCR) - ECVISN -

This request is for \$1,884,096 in FY 2012 and \$840,288 in FY 2013 of state Unified Carrier Registration (UCR) funds and federal Expanded Commercial Vehicle Information Systems and Network (ECVISN) grants to deploy and maintain commercial motor vehicle related systems. Two projects are planned in FY 2012 and one in FY 2013. An automated payment capability project for the IFTA (International Fuel Tax Agreement) and IRP (International Registration Plan) will provide automated payment capability for a one stop shopping cart interface. This will allow customers an easy system to do multiple transactions related to IFTA and IRP. The other FY 2012 project is a weigh station automated vehicle screening project at two existing weigh stations which will identify problem carriers, vehicles, and drivers to keep the traveling public safe. The FY 2013 project is virtual weigh station automated screening system deployment at existing weigh in motion sites. This will target overweight and unsafe vehicles protecting the infrastructure and keeping traveling public safe.

<u>Total Agency Impact</u>	<u>General Fund Total</u>
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**DEPARTMENT OF TRANSPORTATION-5401
MOTOR CARRIER SERVICES DIVISION-22**

FY 2012	\$170,000	\$0
FY 2013	\$0	\$0

PL- 2203 - Digital Audio/Video Recorder OTO -

This one-time-only request is for the replacement of outdated VHS audio/video technology. The current equipment is obsolete and has become difficult to repair or replace. New equipment is required to improve officer training and assure appropriate treatment during MCS interaction with the public.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$27,000	\$0
FY 2013	\$27,000	\$0

PL- 2205 - Purchase License Plates -

This request is for \$27,000 per year in state special revenue to cover license plates charges to Motor Carrier Services (MCS) from the Montana Department of Justice (MDOJ). After January 1, 2010, MDOJ, Motor Vehicle Division started charging MCS a \$10 plate manufacturing fee for IRP license plates to meet the requirements enacted in 61-3-321 (12) (a), MCA, by the 2009 Legislature. MCS had adequate plates in stock to cover FY 2010 and did not need to purchase any plates from MDOJ. Previously MCS was not charged for IRP plates; therefore, the division does not have any expenditures in the base year.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$55,904	\$0
FY 2013	\$59,264	\$0

PL- 2206 - Equipment Rental -

This request is for \$55,904 in FY 2012 and \$59,264 in FY 2013 of state and federal special revenue to adjust for expected rates for rental equipment to provide adequate revenue to the Equipment Program.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$187,847	\$0
FY 2013	\$187,847	\$0

PL- 2207 - Overtime/Differential -

This request restores zero-based overtime and differential pay with associated benefits of \$187,847 per year in state and federal special revenue.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$57,471	\$0
FY 2013	\$57,471	\$0

PL- 2208 - Dietz Port of Entry Contract -

This budget request is for \$57,471 per year in state special revenue to adjust expenses up to the annual contract levels for the MT / WY port of entry at Dietz, WY.

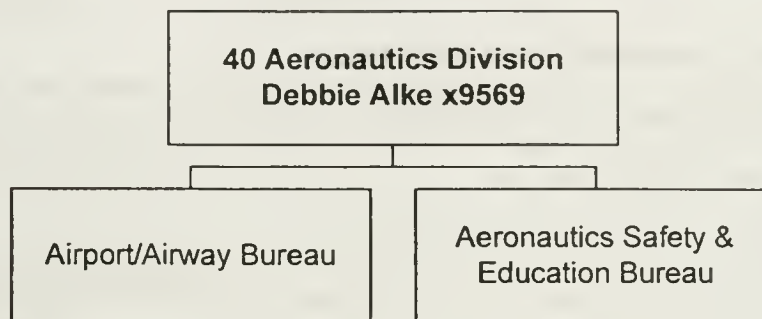
	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$766,567	\$0
FY 2013	\$753,242	\$0

PL- 2209 - Border Enforcement Grant -

This budget request is for \$766,567 in FY 2012 and \$753,242 in FY 2013 in federal special revenue to annualize Border Enforcement Grant (BEG) expenditures. The base does not include the majority of expenses in the BEG as they were incurred through a budget amendment during FY 2010. This decision package will bring the base up to where it would have been if all expenditures had occurred under the HB 2 budget for FY 2010. This grant is 100% federal funding.

DEPARTMENT OF TRANSPORTATION-5401 AERONAUTICS PROGRAM-40

Please note that this program also contains proprietary funding (see Section P).



Program Description - The Montana Department of Transportation, Aeronautics Division: 1) facilitates the operation and infrastructure of airports and airways, both public and private, throughout Montana; 2) provides mechanisms for funding of airport and aviation related projects throughout the state; 3) registers aircraft and pilots in accordance with Montana laws and regulations; and fosters, promotes, and supervises aviation and aviation safety through educational efforts and programs; 4) coordinates and supervises aerial search and rescue operations. In accordance with the maintenance and safety aspects of the division's purpose, it administers a loan and grant program to municipal governments to fund airport improvement projects. The Aeronautics Board approves all loan and grant requests and advises on matters pertaining to aeronautics.

The division serves in a liaison capacity between the State of Montana and various entities including the U.S. Department of Transportation, the Federal Aviation Administration (FAA), and other federal and state entities. The division is also responsible for operation of the air carrier airport at West Yellowstone and for 14 other state-owned airports. Montana Department of Transportation, Aeronautics Division is authorized by 2-15-2501(2), MCA; Title 67, MCA; and various federal laws.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2010	PL Base Adjustment Fiscal 2012	New Proposals Fiscal 2012	Total Exec. Budget Fiscal 2012	PL Base Adjustment Fiscal 2013	New Proposals Fiscal 2013	Total Exec. Budget Fiscal 2013
ITE	9.00	0.00	0.00	9.00	0.00	0.00	9.00
Personal Services	626,939	18,259	0	645,198	16,713	0	643,652
Operating Expenses	356,231	39,812	356,250	752,293	87,418	356,250	799,899
Grants	829,705	84,295	0	914,000	84,295	0	914,000
Transfers	0	10,818	0	10,818	10,818	0	10,818
Total Costs	\$1,812,875	\$153,184	\$356,250	\$2,322,309	\$199,244	\$356,250	\$2,368,369
State/Other Special	1,707,843	115,716	0	1,823,559	161,776	0	1,869,619
Federal Special	105,032	37,468	356,250	498,750	37,468	356,250	498,750
Total Funds	\$1,812,875	\$153,184	\$356,250	\$2,322,309	\$199,244	\$356,250	\$2,368,369

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$450	\$0
FY 2013	\$450	\$0

L- 4002 - Aeronautics Board Per Diem -

This request for \$450 per year in state special revenue is to increase the base year Aeronautics Board per diem.

DEPARTMENT OF TRANSPORTATION-5401

AERONAUTICS PROGRAM-40

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$84,295	\$0
FY 2013	\$84,295	\$0

PL- 4003 - Aero Grants, Loans, & Pavement Preservation (BIEN) -

This request is for \$84,295 per year in state special revenue in order to annualize and make these appropriations biennial. The biennial appropriation request is due to the offset in federal and state fiscal years; and since most of this authority is used to match federal grants, it is desired to have flexibility to use this authority either year of the biennium that the grant is received from the federal government.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$10,818	\$0
FY 2013	\$10,818	\$0

PL- 4005 - Aeronautics Tax Transfer -

This request is for \$10,818 per year in state special revenue to re-establish a base year tax transfer to the West Yellowstone Airport. Aeronautics did not receive tax revenue for FY 2010 because the FY 2007 revenue was overstated thus there was no transaction in the base year, FY 2010.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$0	\$0
FY 2013	\$46,000	\$0

PL- 4006 - Aeronautical Maps & Charts (OTO) -

This one time only request is for \$46,000 in FY 2013 in state special revenue for producing an aeronautical chart. The MDT Aeronautics Division produces an aeronautical chart every four years. This chart incorporates the latest federal FAA aeronautical information. It also identifies and graphically depicts aeronautical items unique to Montana that are not reflected on other federally produced charts.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$39,440	\$0
FY 2013	\$39,440	\$0

PL- 4007 - State Aviation System Plan (BIEN) -

This biennial budget request is for \$39,440 per year of state and federal special revenue for updates to the annual Montana State Aviation System Plan and is primarily funded by a system planning grant from the Federal Aviation Administration. The system plan provides both voluntary and mandated infrastructure and capital improvement plans that the FAA, state, and local communities use to develop individual airport projects around the state. This request covers the expected costs associated with the FAA grant and contract. The biennial amount for this package is \$300,000.

**DEPARTMENT OF TRANSPORTATION-5401
AERONAUTICS PROGRAM-40**

-----**New Proposals**-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$237,500	\$0
FY 2013	\$237,500	\$0

NP- 4001 - West Yellowstone Airport Improvements -

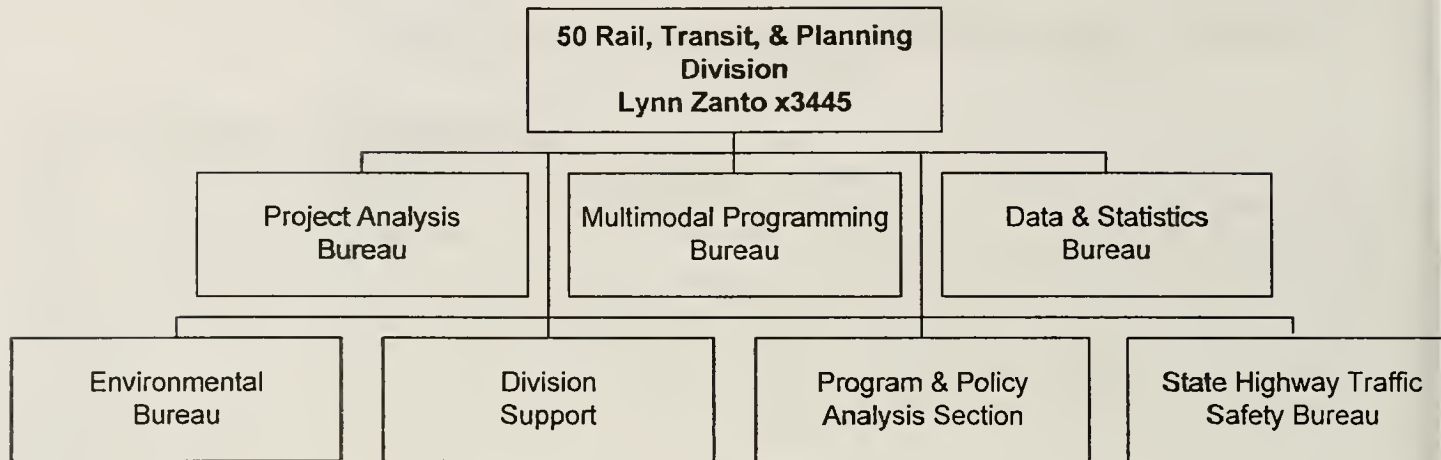
This budget request is for \$237,500 per year in federal special revenue for improvements to the West Yellowstone Airport (WYA) funded by a grant from the Federal Aviation Administration's Airport Improvement Program. Projects include the construction of a storage building for snow removal equipment and airport firefighting vehicles. This project has been developed and approved in conjunction with the FAA to ensure compliance with all federal mandates to continue operating a FAR Part 139 certificated commercial service airport and to ensure safe and efficient operation of the airport, providing airline, corporate and general aviation service to Yellowstone National Park, the town of West Yellowstone, and the surrounding communities.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$118,750	\$0
FY 2013	\$118,750	\$0

NP- 4004 - WY Airport Wildlife Assessment & Master Plan -

This budget request is for \$118,750 per year in federal special revenue for an airport wildlife hazard assessment and an airport master plan. These items are necessary to ensure compliance with Federal Aviation Administration mandates, adherence to current airport layout plans, and to ensure the safety and viability of the airport. These projects have been developed and approved in conjunction with the FAA to ensure compliance with all federal mandates to continue operating a FAR Part 139 certificated commercial service airport and to ensure safe and efficient operation of the airport, providing airline, corporate and general aviation service to Yellowstone National Park, the town of West Yellowstone, and the surrounding communities.

DEPARTMENT OF TRANSPORTATION-5401 RAIL, TRANSIT, & PLANNING DIVISION-50



Program Description - The Rail, Transit, & Transportation Planning Division provides: 1) a continuous statewide multimodal transportation planning process used to allocate highway program resources to ensure highway system performance goals are maintained and federal-aid highway and transit grant eligibility is maintained within the federal surface transportation programs; 2) an inventory of transportation infrastructure for the allocation of state fuel taxes to local governments; 3) support for the state's comprehensive statewide highway safety plan including technical analysis, performance tracking and coordination with multiple administrative agencies and jurisdictions; 4) the point of contact for MDT for major developers seeking access onto the state's highway system; 5) mapping functions to aid in the publication of the state tourist map and geo-spatial infrastructure inventories; 6) transportation planning and programming assistance to metropolitan and urban areas; 7) administration and implementation of safety programs that help reduce traffic deaths, injuries, and property losses resulting from traffic crashes; 8) administration and implementation of environmental services that assure environmental compliance with all relative laws, rules, regulations, policies, orders, and agreements; and 9) responses to legislative or regulatory actions necessitating representation before courts, congressional hearings, the US DOT, the Surface Transportation Board, and others. This planning results in a program of projects which includes street, highway, and bridge improvements, buses for transit systems, railroad track rehabilitation, safe routes to school awards, transportation enhancements for non-motorized use and beautification improvements. The division is authorized by Title 7, Chapter 14-102, Title 15, chapter 70-101, Title 60, Chapters 3 & 11, and Title 61, Chapter 2, part 1, MCA. Federal titles are Title 23 USC Sections 134, 135, and 148(a) (6); Title 49 USC Sections 5310, 5311, and 5307 and SAFETEA-LU Sections 1404, 3018, and 3019.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2010	PL Base Adjustment Fiscal 2012	New Proposals Fiscal 2012	Total Exec. Budget Fiscal 2012	PL Base Adjustment Fiscal 2013	New Proposals Fiscal 2013	Total Exec. Budget Fiscal 2013
FTE	102.50	0.00	0.00	102.50	0.00	0.00	102.50
Personal Services	7,118,790	84,998	0	7,203,788	80,976	0	7,199,766
Operating Expenses	4,521,185	276,787	0	4,797,972	279,021	0	4,800,206
Equipment & Intangible Assets	58,757	0	0	58,757	0	0	58,757
Grants	12,052,884	1,091,699	0	13,144,583	1,091,699	0	13,144,583
Transfers	1,407,892	0	0	1,407,892	0	0	1,407,892
Total Costs	\$25,159,508	\$1,453,484	\$0	\$26,612,992	\$1,451,696	\$0	\$26,611,204
State/Other Special	4,549,098	117,177	0	4,666,275	123,530	0	4,672,628
Federal Special	20,610,410	1,336,307	0	21,946,717	1,328,166	0	21,938,576
Total Funds	\$25,159,508	\$1,453,484	\$0	\$26,612,992	\$1,451,696	\$0	\$26,611,204

**DEPARTMENT OF TRANSPORTATION-5401
RAIL, TRANSIT, & PLANNING DIVISION-50**

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$15,870	\$0
FY 2013	\$15,870	\$0

PL- 5003 - Overtime/Differential -

This request restores zero-based overtime and differential pay with associated benefits of \$15,870 per year in state and federal special revenue.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$40,164	\$0
FY 2013	\$42,276	\$0

PL- 5004 - Equipment Rental -

This request is for \$40,164 in FY 2012 and \$42,276 in FY 2013 in state and federal special revenue to adjust for expected rates for rental equipment to provide adequate revenue to the Equipment Program.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$239,526	\$0
FY 2013	\$239,526	\$0

PL- 5006 - Restore Corridor Studies -

This budget request is for \$239,526 in state and federal special revenue to restore the base in the 2013 biennium for contracted services to fund corridor studies and assist local entities with the development of community transportation plans. Working with the city, county, and tribe to develop a scope of work for the US 93 Polson corridor study and community transportation plan took longer than anticipated in the base year, FY 2010. Consequently, the majority of expenditures for this corridor study and plan will occur in the 2nd year of the 2011 biennium.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$50,000	\$0
FY 2013	\$50,000	\$0

PL- 5007 - Restore Transit Base -

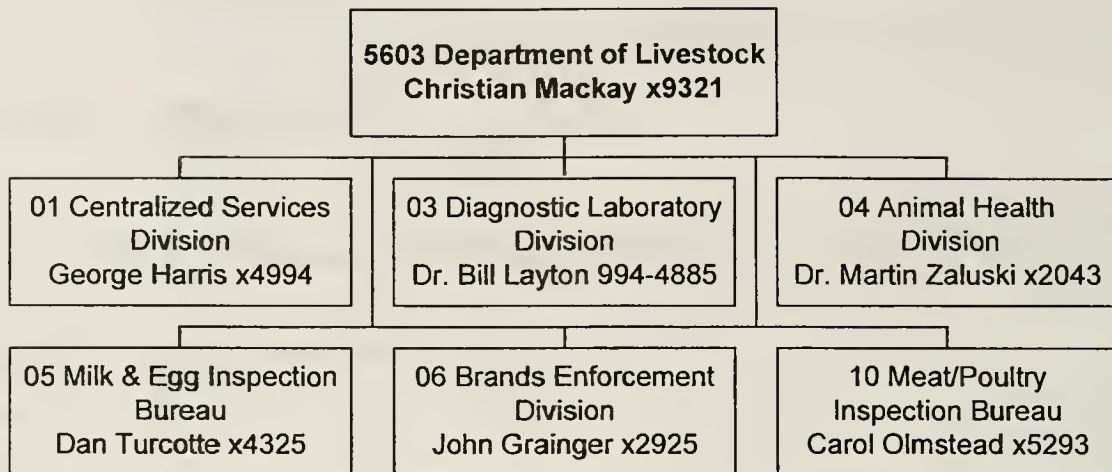
This budget request is for \$50,000 per year in state special revenue to partially restore the base budget in the 2013 biennium for capital assistance grants for Montana's local transit providers. Due to the federal recovery act, the majority of the FY 2010 base year expenditures were 100% federally funded so required no local match. This will restore the local match to approximately \$134,000 of authority.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$1,041,699	\$0
FY 2013	\$1,041,699	\$0

PL- 5008 - Transit Base Operating Adjustment -

This request is for \$1,041,699 per year in federal special revenue to restore the base budget in the 2013 biennium for operating assistance for Montana's local transit providers. This request will provide sufficient budget authority allowing the department to pass through the projected federal grants received from the Federal Transit Administration (FTA). Federal grants funds are provided to local transit authorities and used for the operations of public transit services in their communities. FTA restrictions in the base year did not allow for the 100% expenditures of the grant funding so base authority is low.

DEPARTMENT OF LIVESTOCK-5603



Mission Statement - The mission of the Department of Livestock is to control and eradicate animal diseases, prevent the transmission of animal diseases to humans, and to protect the livestock industry from theft and predatory animals.

Statutory Authority - Title 81, MCA

Agency Proposed Budget							
Budget Item	Base Budget Fiscal 2010	PL Base Adjustment Fiscal 2012	New Proposals Fiscal 2012	Total Exec. Budget Fiscal 2012	PL Base Adjustment Fiscal 2013	New Proposals Fiscal 2013	Total Exec. Budget Fiscal 2013
FTE	138.50	0.00	5.00	143.50	0.00	3.26	141.76
Personal Services	6,751,716	420,227	314,500	7,486,443	425,191	249,998	7,426,905
Operating Expenses	2,896,569	276,388	721,084	3,894,041	261,483	718,417	3,876,469
Equipment & Intangible Assets	47,689	178,752	46,750	273,191	187,752	0	235,441
Benefits & Claims	140,000	0	150,000	290,000	0	0	140,000
Total Costs	\$9,835,974	\$875,367	\$1,232,334	\$11,943,675	\$874,426	\$968,415	\$11,678,815
General Fund	1,046,160	42,558	468,107	1,556,825	42,874	317,955	1,406,989
State/Other Special	7,325,213	690,490	735,227	8,750,930	687,278	650,460	8,662,951
Federal Special	1,464,601	142,319	29,000	1,635,920	144,274	0	1,608,875
Total Funds	\$9,835,974	\$875,367	\$1,232,334	\$11,943,675	\$874,426	\$968,415	\$11,678,815

DEPARTMENT OF LIVESTOCK-5603 CENTRALIZED SERVICES PROGRAM-01

**01 Centralized Services
Division**
 George Harris x4994

Program Description - The Centralized Services Division is responsible for budgeting, accounting, payroll, personnel, legal services, purchasing, administrative, information technology, public information, and general services functions for the department. The Milk Control Bureau staff and the Livestock Loss Reduction Mitigation Board (LLRMB) staff are supervised in the Central Services Division. The Board of Milk Control and the LLRMB are attached to the Department of Livestock for administrative purposes.

The Predator Control Program is administered by the Board of Livestock and the executive officer. The Livestock Crimestoppers' Commission and the Beef Research and Marketing Committee are also administratively attached. The 7th Legislature administratively attached the Board of Horse Racing (BOHR) to the Department of Livestock. The BOHR and its staff report directly to the executive officer.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2010	PL Base Adjustment Fiscal 2012	New Proposals Fiscal 2012	Total Exec. Budget Fiscal 2012	PL Base Adjustment Fiscal 2013	New Proposals Fiscal 2013	Total Exec. Budget Fiscal 2013
TE	20.78	0.00	0.00	20.78	0.00	0.00	20.78
Personal Services	1,095,555	93,371	0	1,188,926	94,995	0	1,190,550
Operating Expenses	1,013,358	35,823	0	1,049,181	6,006	0	1,019,364
Equipment & Intangible Assets	9,352	0	0	9,352	0	0	9,352
Benefits & Claims	140,000	0	150,000	290,000	0	0	140,000
Total Costs	\$2,258,265	\$129,194	\$150,000	\$2,537,459	\$101,001	\$0	\$2,359,266
General Fund	65,628	4,587	150,000	220,215	4,472	0	70,100
State/Other Special	2,052,637	124,607	0	2,177,244	96,529	0	2,149,166
Federal Special	140,000	0	0	140,000	0	0	140,000
Total Funds	\$2,258,265	\$129,194	\$150,000	\$2,537,459	\$101,001	\$0	\$2,359,266

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$500	\$0
FY 2013	\$500	\$0

L- 101 - Board Per Diem -

This decision package increases state special revenue funding for per diem by \$500 per year to allow the board of livestock to meet six times each year of the 2013 biennium. In FY 2010, the Board only met five times.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$15,600	\$0
FY 2013	\$15,600	\$0

L- 102 - PC Replacements -

The Department of Livestock has 112 personal computers which need to be replaced once every five years. The department has funding built into its base to replace 11 computers per year. This request would add \$15,600 of state special revenue each year of the biennium to meet their five year replacement cycle of 23 computers per year.

DEPARTMENT OF LIVESTOCK-5603 CENTRALIZED SERVICES PROGRAM-01

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$4,668	\$0
FY 2013	\$4,668	\$0

PL- 104 - Predator Control - Base Adjustment -

The executive recommends a base adjustment of \$4,668 of state special revenue each year of the 2013 biennium for Predator Control. This additional funding brings the total up to \$319,500 per year which is the amount authorized by the Board of Livestock.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$5,210	\$5,210
FY 2013	\$5,210	\$5,210

PL- 125 - LLRMB Board Meetings -

This request of an additional \$5,210 general fund will allow the Livestock Loss Reduction Mitigation Board (LLRMB) to meet four times per year instead of meeting twice per year in person and twice per year by teleconference.

-----New Proposals-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$150,000	\$150,000
FY 2013	\$0	\$0

NP- 124 - LLRMB Loss Payments GF (Biennial OTO) -

The Governor's budget includes a \$150,000 general fund OTO biennial appropriation for livestock loss mitigation funding to pay for livestock losses attributed to wolf depredation.

DEPARTMENT OF LIVESTOCK-5603 DIAGNOSTIC LABORATORY PROGRAM-03

**03 Diagnostic Laboratory
Division**
 Dr. Bill Layton 994-4885

Program Description - The Diagnostic Laboratory provides livestock laboratory diagnostic support for livestock producers and the Animal Health and Milk and Egg programs. Testing is done for zoonotic diseases and on dairy products to protect the health of Montana citizens. Laboratory testing services are conducted upon request to assist animal owners, veterinarians, the Department of Fish, Wildlife and Parks, and other agencies in protecting the health of animals, wildlife, and the public.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2010	PL Base Adjustment Fiscal 2012	New Proposals Fiscal 2012	Total Exec. Budget Fiscal 2012	PL Base Adjustment Fiscal 2013	New Proposals Fiscal 2013	Total Exec. Budget Fiscal 2013
TE	22.00	0.00	(0.24)	21.76	0.00	(0.24)	21.76
Personal Services	1,135,911	58,622	(11,111)	1,183,422	58,635	(11,100)	1,183,446
Operating Expenses	558,721	46,435	147,390	752,546	51,519	147,390	757,630
Equipment & Intangible Assets	5,258	17,000	46,750	69,008	0	0	5,258
Total Costs	\$1,699,890	\$122,057	\$183,029	\$2,004,976	\$110,154	\$136,290	\$1,946,334
General Fund	410,574	9,300	(33,351)	386,523	9,538	(33,340)	386,772
State/Other Special	1,289,316	112,757	187,380	1,589,453	100,616	169,630	1,559,562
Federal Special	0	0	29,000	29,000	0	0	0
Total Funds	\$1,699,890	\$122,057	\$183,029	\$2,004,976	\$110,154	\$136,290	\$1,946,334

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$2,720	\$0
FY 2013	\$2,720	\$0

PL- 303 - Milk Lab Operational Adjustment -

Funding for the Diagnostic Lab in the 2011 biennium included a one-time-only appropriation for "Lab Funding Shortfall". This request is for \$2,730 of ongoing state special revenue per year in the 2013 biennium to replace the Milk Lab's portion of the one-time-only appropriation.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$1,330	\$0
FY 2013	\$1,330	\$0

PL- 304 - Lab Overtime -

The budget includes \$1,330 of state special revenue for overtime costs in the Diagnostic Lab. Overtime is zero-based and must be approved each legislative session.

DEPARTMENT OF LIVESTOCK-5603 DIAGNOSTIC LABORATORY PROGRAM-03

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$17,000	\$0
FY 2013	\$0	\$0

PL- 309 - Equipment Replacement - OTO -

This one-time-only request of \$17,000 state special revenue is for a replacement serology plate cleaner and a bacteriology incubator in the Diagnostic Lab. The serology plate cleaner and bacteriology incubator currently in use at the lab have exceeded their life expectancy.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$5,947	\$0
FY 2013	\$6,641	\$0

PL- 311 - Lab Testing -

The cost of referral testing conducted by outside laboratories is expected to increase by 10% each year of the 2013 biennium. This request would increase state special revenue authority by \$5,947 in FY 2012 and \$6,641 in FY 2013 to cover the increasing cost of referral testing.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$5,219	\$0
FY 2013	\$5,219	\$0

PL- 317 - Lab Maintenance Contracts -

This proposal includes an additional \$5,219 of state special revenue each year of the 2013 biennium to pay for the increasing costs of maintenance contracts for equipment utilized in the Diagnostic Lab.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$35,152	\$0
FY 2013	\$38,728	\$0

PL- 318 - Lab Recharges -

Lab recharges are assessed by MSU for facility services based upon square footage. Recharges for the Diagnostic Lab are scheduled to increase by \$35,152 in FY 2012 and \$38,728 in FY 2013. This request is funded with state special revenue.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$2,400	\$0
FY 2013	\$2,400	\$0

PL- 320 - Leased Equipment - Copier -

The budget includes \$2,400 of state special revenue each year to lease an additional copier for use in the Diagnostic Lab.

DEPARTMENT OF LIVESTOCK-5603 **DIAGNOSTIC LABORATORY PROGRAM-03**

-----New Proposals-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$169,630	\$0
FY 2013	\$169,630	\$0

IP- 302 - Lab Operating Adjustment -

Funding for the Diagnostic Lab in the 2011 biennium included a one-time-only appropriation for "Lab Funding Shortfall". This request is for \$169,630 of ongoing state special revenue per year in the 2013 biennium to restore the one-time-only appropriation.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$46,750	\$0
FY 2013	\$0	\$0

IP- 310 - New Lab Equipment - BIEN/OTO -

The executive recommends a biennial one-time-only appropriation of \$17,750 state special revenue and \$29,000 federal special revenue to purchase new laboratory equipment. Approval of this request will allow the department to purchase an auto stainer and water bath, a synergy fluorescent polarization testing unit, and a charm safe level testing unit in the Diagnostic Lab. The Milk Lab will receive a new sink, fume hood, cabinets, and counter top.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	(\$33,351)	(\$33,351)
FY 2013	(\$33,340)	(\$33,340)

IP- 55400 - 4% General Fund Reduction -

The Governor has included a 4% reduction in general fund personal services budgets as a part of his budget recommendations. This decision package reduces personal services in the Diagnostic Lab program by \$14,812 in FY 2012 and \$14,807 in FY 2013 and operating expenses by \$18,539 in FY 2012 and \$18,533 in FY 2013 to implement the budget reduction. The reduction includes the elimination of 0.32 FTE.

Language Recommendations - "In the event that the department experiences extended staff absences and is unable to meet service levels required to maintain AAVLD accreditation standards or peak workload demand, the department may hire additional temporary employees or pay overtime, whichever is determined to be the most cost-effective, to maintain service levels. In fiscal year 2012 and fiscal year 2013, the department is appropriated not more than \$30,000 each year for additional cost from the state special revenue per capita fee account to meet the service level requirements."

DEPARTMENT OF LIVESTOCK-5603 ANIMAL HEALTH DIVISION-04

**04 Animal Health
Division**
 Dr. Martin Zaluski x2043

Program Description - The Animal Health Division (State Veterinarian Office) provides diagnosis, prevention, control, and eradication of animal diseases, including those in bison and alternative livestock animals. The program cooperates with the Departments of Public Health and Human Services, Fish, Wildlife and Parks, and US Department of Agriculture to protect human health from animal diseases transmissible to humans. Sanitary standards are supervised for animal concentration points, such as auction markets, and certain animal product processing facilities, such as rendering plants. The Rabies Control Unit protects public and animal health from rabies by monitoring new rabies infections and enforcing quarantines.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2010	PL Base Adjustment Fiscal 2012	New Proposals Fiscal 2012	Total Exec. Budget Fiscal 2012	PL Base Adjustment Fiscal 2013	New Proposals Fiscal 2013	Total Exec. Budget Fiscal 2013
FTE	14.01	0.00	2.00	16.01	0.00	2.00	16.01
Personal Services	710,404	121,286	131,891	963,581	122,914	131,565	964,883
Operating Expenses	578,822	133,628	571,027	1,283,477	136,306	571,027	1,286,155
Equipment & Intangible Assets	23,831	15,000	0	38,831	41,000	0	64,831
Total Costs	\$1,313,057	\$269,914	\$702,918	\$2,285,889	\$300,220	\$702,592	\$2,315,869
General Fund	0	0	351,458	351,458	0	351,295	351,295
State/Other Special	601,610	138,614	351,460	1,091,684	167,159	351,297	1,120,066
Federal Special	711,447	131,300	0	842,747	133,061	0	844,508
Total Funds	\$1,313,057	\$269,914	\$702,918	\$2,285,889	\$300,220	\$702,592	\$2,315,869

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$141,039	\$0
FY 2013	\$142,403	\$0

PL- 402 - Bison/GYA Federal Funds -

Federal funds available for bison operations in the Greater Yellowstone Area (GYA) are expected to increase by \$141,039 in FY 2012 and \$142,403 in FY 2013. This proposal would increase federal special revenue authority for the Animal Health Division to match available federal funds.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$0	\$0
FY 2013	\$26,000	\$0

PL- 414 - Vehicle Replacement - Animal Health - OTO -

The budget includes \$26,000 of one-time-only state special revenue funding to replace a 4x4 vehicle in the Animal Health Division in FY 2013.

**DEPARTMENT OF LIVESTOCK-5603
ANIMAL HEALTH DIVISION-04**

-----New Proposals-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$571,027	\$285,513
FY 2013	\$571,027	\$285,513

IP- 405 - Brucellosis - Designated Surveillance Area - OTO -

The executive recommends \$571,027 of one-time-only general fund and state special revenue each year of the 2013 biennium to continue brucellosis surveillance in Montana. Ongoing testing under the Designated Surveillance Area plan requires testing and risk mitigation activities in parts of Beaverhead, Madison, Gallatin, and Park counties. The source of funding requested is 50% general fund and 50% per capita fee. If federal funds for brucellosis testing are made available to the department, state general fund will be reduced by a like amount.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$131,891	\$65,945
FY 2013	\$131,565	\$65,782

IP- 406 - Brucellosis Vet & Compliance Specialist -OTO -

This proposal would provide one-time-only funding for a 1.00 FTE brucellosis veterinarian and a 1.00 FTE brucellosis compliance specialist each year of the 2013 biennium. These positions are funded with 50% general fund and 50% per capita fee at a cost of \$131,891 in FY 2012 and \$131,565 in FY 2013.

DEPARTMENT OF LIVESTOCK-5603 MILK & EGG PROGRAM-05

**05 Milk & Egg
Inspection Bureau
Dan Turcotte x4325**

Program Description - The Milk and Egg Inspection program ensures that eggs, milk, and milk products sold or manufactured in Montana are fit for human consumption. Enforcement of state and federal laws is accomplished through licensing, sampling, laboratory testing, and product and site inspections, done in cooperation with other state and federal agencies.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2010	PL Base Adjustment Fiscal 2012	New Proposals Fiscal 2012	Total Exec. Budget Fiscal 2012	PL Base Adjustment Fiscal 2013	New Proposals Fiscal 2013	Total Exec. Budget Fiscal 2013
FTE	5.00	0.00	1.50	6.50	0.00	1.50	6.50
Personal Services	252,171	44,825	129,844	426,840	44,957	129,533	426,661
Operating Expenses	46,491	5,078	0	51,569	7,229	0	53,720
Equipment & Intangible Assets	0	26,000	0	26,000	26,000	0	26,000
Total Costs	\$298,662	\$75,903	\$129,844	\$504,409	\$78,186	\$129,533	\$506,381
State/Other Special	270,174	75,903	129,844	475,921	78,186	129,533	477,893
Federal Special	28,488	0	0	28,488	0	0	28,488
Total Funds	\$298,662	\$75,903	\$129,844	\$504,409	\$78,186	\$129,533	\$506,381

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$2,866	\$0
FY 2013	\$4,378	\$0

PL- 501 - Out of State Travel -

This request increases state special revenue authority for out of state travel in the Milk Lab by \$2,866 in FY 2012 and \$4,378 in FY 2013. Milk and Egg Sanitarians are required to complete ongoing training in order to maintain their professional certification. Base year expenditures for training and travel were lower than the budgeted amount due to the location of available training events.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$26,000	\$0
FY 2013	\$26,000	\$0

PL- 515 - Vehicle Replacement - Milk and Egg Bureau (OTO) -

The budget includes \$52,000 of one-time-only state special revenue funding to replace one 4x4 vehicle in the Milk and Egg Bureau each year of the 2103 biennium.

DEPARTMENT OF LIVESTOCK-5603
MILK & EGG PROGRAM-05

-----New Proposals-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$129,844	\$0
FY 2013	\$129,533	\$0

IP- 507 - New Egg Graders SSR -

The executive recommends an additional 1.50 FTE to conduct egg grading each year of the 2013 biennium. The egg producers in the state have requested that the Milk & Egg Bureau provide fee egg grading for their industry in Montana. Fee egg grading will allow egg packers to apply the USDA grade shield to cartons of eggs they market. The program is voluntary and the producer requesting the service bears the costs of the inspection service. This proposal provides state special revenue authority in the amount of \$129,844 in FY 2012 and \$129,533 in FY 2013.

DEPARTMENT OF LIVESTOCK-5603 BRANDS ENFORCEMENT DIVISION-06

**06 Brands Enforcement
Division**
 John Grainger x2925

Program Description - The Brands Enforcement Division is responsible for livestock theft investigations, stray livestock investigations, brand inspections, recording of livestock brands, filing of security interests on livestock, livestock auction licensing, livestock dealer licensing, hide inspections, and livestock inspections.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2010	PL Base Adjustment Fiscal 2012	New Proposals Fiscal 2012	Total Exec. Budget Fiscal 2012	PL Base Adjustment Fiscal 2013	New Proposals Fiscal 2013	Total Exec. Budget Fiscal 2013
FTE	57.21	0.00	1.74	58.95	0.00	0.00	57.21
Personal Services	2,674,474	97,704	63,876	2,836,054	99,392	0	2,773,866
Operating Expenses	424,980	20,153	2,667	447,800	24,644	0	449,624
Equipment & Intangible Assets	9,248	120,752	0	130,000	120,752	0	130,000
Total Costs	\$3,108,702	\$238,609	\$66,543	\$3,413,854	\$244,788	\$0	\$3,353,490
General Fund	2,943	0	0	2,943	0	0	2,943
State/Other Special	3,105,759	238,609	66,543	3,410,911	244,788	0	3,350,547
Total Funds	\$3,108,702	\$238,609	\$66,543	\$3,413,854	\$244,788	\$0	\$3,353,490

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$102,169	\$0
FY 2013	\$102,169	\$0

PL- 601 - Overtime -

The Brand Enforcement Division works extensive overtime during the fall market and at other peak times of the year. Overtime is a zero based cost. This request provides \$102,169 of state special revenue authority each year of the 2013 biennium to restore funding for overtime costs.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$5,380	\$0
FY 2013	\$5,380	\$0

PL- 602 - Out of State Travel -

The budget includes \$5,380 of state special revenue authority each year of the 2013 biennium for costs associated with out of state training and travel in the Brands Enforcement Division.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$120,752	\$0
FY 2013	\$120,752	\$0

PL- 613 - Vehicle Replacement - Brands (OTO) -

The budget includes \$120,752 one-time-only state special revenue funding each year of the biennium to purchase replacement 4x4 extended cab pickups set up for law enforcement and towing. This proposal provides funding to purchase five vehicles per year at a cost of \$26,000 per vehicle. The Brands Enforcement division has \$9,248 in its base budget for this purpose.

DEPARTMENT OF LIVESTOCK-5603
BRANDS ENFORCEMENT DIVISION-06

-----New Proposals-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$66,543	\$0
FY 2013	\$0	\$0

P- 604 - Brand Rerecord - (OTO) -

he executive recommends \$66,543 one-time-only state special revenue funding in FY 2012 for personal services and operating costs associated with finishing up the ten year brand rerecord. The Brand Enforcement Division rerecords every brand in the state once every ten years. The rerecord spans all of calendar year 2011 which carries into the first half of state FY 2012. Approval of this request will provide the funding and 1.74 FTE in FY 2012 to complete the rerecord.

DEPARTMENT OF LIVESTOCK-5603 MEAT/POULTRY INSPECTION-10

**10 Meat/Poultry Inspection
Bureau**
 Carol Olmstead x5293

Program Description - The Meat and Poultry Inspection Program was established in 1987 by the Montana Meat and Poultry Inspection Act. It implements and enforces a meat and poultry inspection system equal to that maintained by the U.S. Department of Agriculture and the Food Safety Inspection Service to assure clean, wholesome, and properly-labeled meat and poultry products for consumers.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2010	PL Base Adjustment Fiscal 2012	New Proposals Fiscal 2012	Total Exec. Budget Fiscal 2012	PL Base Adjustment Fiscal 2013	New Proposals Fiscal 2013	Total Exec. Budget Fiscal 2013
FTE	19.50	0.00	0.00	19.50	0.00	0.00	19.50
Personal Services	883,201	4,419	0	887,620	4,298	0	887,499
Operating Expenses	274,197	35,271	0	309,468	35,779	0	309,976
Total Costs	\$1,157,398	\$39,690	\$0	\$1,197,088	\$40,077	\$0	\$1,197,475
General Fund	567,015	28,671	0	595,686	28,864	0	595,879
State/Other Special	5,717	0	0	5,717	0	0	5,717
Federal Special	584,666	11,019	0	595,685	11,213	0	595,879
Total Funds	\$1,157,398	\$39,690	\$0	\$1,197,088	\$40,077	\$0	\$1,197,475

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$12,480	\$6,240
FY 2013	\$12,480	\$6,240

PL- 1001 - PC Wireless Cards -

The department is required by USDA Food Safety and Inspection Service to equip their field computers with wireless cards. This request adds \$12,480 of combined general fund and federal special revenue each year of the 2013 biennium to purchase wireless cards for the field computers utilized by Department of Livestock meat inspectors.

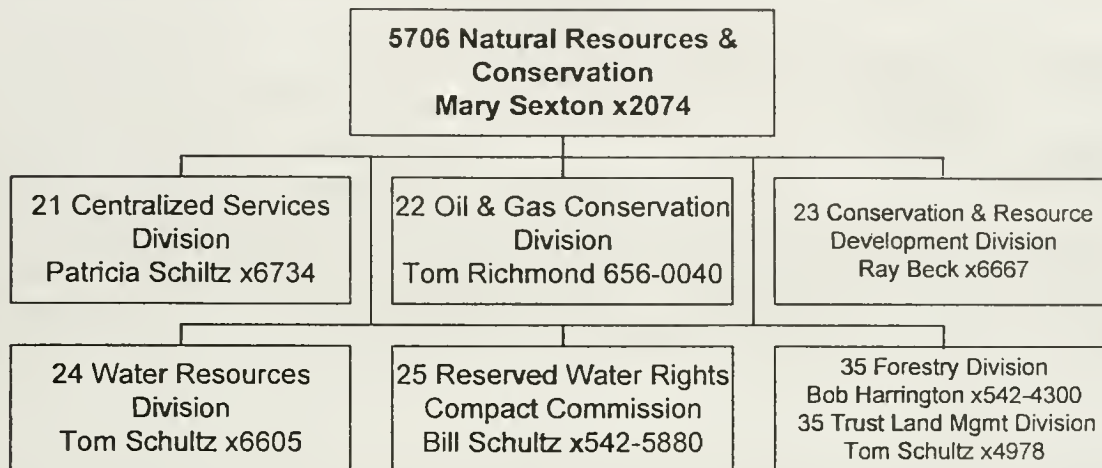
	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$53,676	\$26,838
FY 2013	\$53,676	\$26,838

PL- 1008 - Meat Inspection Adjustment -

The executive recommends \$26,838 of state general fund and \$26,838 of federal funds each year of the 2013 biennium for the Meat Inspection Program. The Department of Livestock enters into a cooperative agreement with the U.S. Department of Agriculture each year to provide meat inspection services which require a 50% state match. State appropriations have not kept pace with available federal funding for this purpose. This request will help close the gap between available federal funds and state appropriations.

DEPARTMENT OF NATURAL RESOURCES & CONSERVATION-5706

Please note that this agency also contains proprietary funding (see Section P).



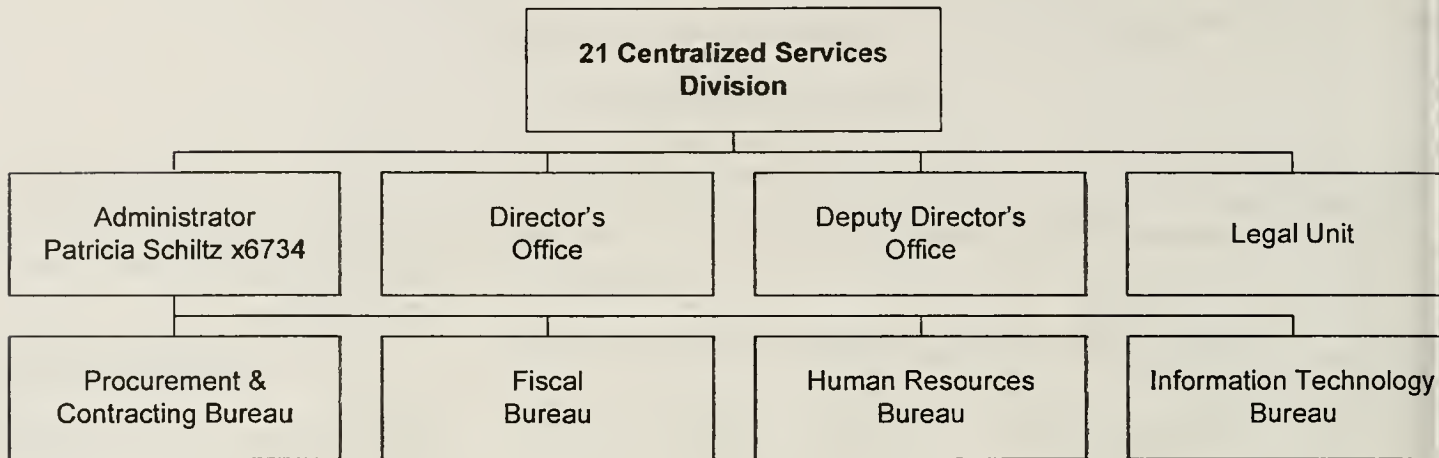
Mission Statement - To ensure Montana's land and water resources provide benefits for present and future generations.

Statutory Authority - 2-15-104 and Title 2, chapter 15, part 33, MCA.

Agency Proposed Budget							
Budget Item	Base Budget Fiscal 2010	PL Base Adjustment Fiscal 2012	New Proposals Fiscal 2012	Total Exec. Budget Fiscal 2012	PL Base Adjustment Fiscal 2013	New Proposals Fiscal 2013	Total Exec. Budget Fiscal 2013
TE	557.69	0.00	(12.25)	545.44	0.00	(12.25)	545.44
Personal Services	30,785,701	3,029,609	(643,008)	33,172,302	3,043,839	(642,171)	33,187,369
Operating Expenses	13,570,700	1,549,632	(112,973)	15,007,359	1,575,572	(113,977)	15,032,295
Equipment & Intangible Assets	1,096,462	0	(150,965)	945,497	0	(150,965)	945,497
Capital Outlay	122,204	0	0	122,204	0	0	122,204
Grants	1,376,647	100,000	0	1,476,647	100,000	0	1,476,647
Benefits & Claims	0	0	200,000	200,000	0	200,000	200,000
Transfers	1,218,390	118,666	(62,806)	1,274,250	113,275	(62,326)	1,269,339
Debt Service	383,275	90,143	0	473,418	90,143	0	473,418
Total Costs	\$48,553,379	\$4,888,050	(\$769,752)	\$52,671,677	\$4,922,829	(\$769,439)	\$52,706,769
General Fund	21,831,342	2,565,737	(1,263,801)	23,133,278	2,588,079	(1,263,511)	23,155,910
State/Other Special	24,837,687	2,155,469	494,049	27,487,205	2,163,691	494,072	27,495,450
Federal Special	1,884,350	166,844	0	2,051,194	171,059	0	2,055,409
Total Funds	\$48,553,379	\$4,888,050	(\$769,752)	\$52,671,677	\$4,922,829	(\$769,439)	\$52,706,769

DEPARTMENT OF NATURAL RESOURCES & CONSERVATION-5706

CENTRALIZED SERVICES-21



Program Description - The Centralized Services Division provides managerial and administrative support services to the department through: 1) the Director's Office, which includes the director, legal staff, and public information; and 2) support services, which manages all financial activities, coordinates information systems, produces publications and graphic materials, and performs general administrative support services. Support services include fiscal affairs, data processing, personnel, legal, reception, and mail. Responsibilities include trust revenue collection and distribution and maintenance of ownership records for trust and non-trust state-owned land. The division also coordinates the state's Restoration Program.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2010	PL Base Adjustment Fiscal 2012	New Proposals Fiscal 2012	Total Exec. Budget Fiscal 2012	PL Base Adjustment Fiscal 2013	New Proposals Fiscal 2013	Total Exec. Budget Fiscal 2013
FTE	41.50	0.00	(1.00)	40.50	0.00	(1.00)	40.50
Personal Services	2,567,203	169,580	(66,487)	2,670,296	172,126	(66,319)	2,673,010
Operating Expenses	851,098	229,522	(13,493)	1,067,127	150,195	(13,731)	987,562
Total Costs	\$3,418,301	\$399,102	(\$79,980)	\$3,737,423	\$322,321	(\$80,050)	\$3,660,572
General Fund	2,489,938	373,855	(79,980)	2,783,813	283,847	(80,050)	2,693,735
State/Other Special	593,855	112,265	0	706,120	121,186	0	715,041
Federal Special	334,508	(87,018)	0	247,490	(82,712)	0	251,796
Total Funds	\$3,418,301	\$399,102	(\$79,980)	\$3,737,423	\$322,321	(\$80,050)	\$3,660,572

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$103,221	\$97,066
FY 2013	\$105,023	\$98,378

PL- 2101 - CSD Operating Adjustment -

This restoration of base operating authority is for \$103,221 in FY 2012 and \$105,023 in FY 2013 of general, state, and federal funds. The restoration includes adjustments to lease agreements (rent, property taxes, and janitorial costs), contracted services required for data entry, and maintenance of purchased software to allow IT staff to better meet the agency's IT needs with limited staff and reduced travel costs.

DEPARTMENT OF NATURAL RESOURCES & CONSERVATION-5706
CENTRALIZED SERVICES-21

-----New Proposals-----

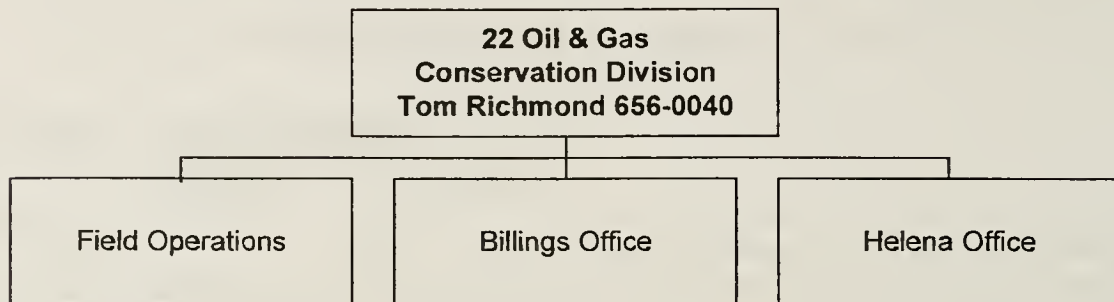
	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	(\$79,980)	(\$79,980)
FY 2013	(\$80,050)	(\$80,050)

IP- 55400 - 4% General Fund Personal Services Reduction-CSD -

The Governor has included a 4% reduction in general fund personal services budgets as a part of his budget recommendations. This decision package reduces the Centralized Services Division (CSD) by \$79,980 in FY 2012 and \$80,050 in FY 2013 to implement the budget reduction. The reduction includes the elimination of 1.00 FTE. CSD will eliminate a restoration coordinator position and related operating costs associated with the position. This position coordinates activities and resources to increase economic development and the speed in which land is reclaimed.

DEPARTMENT OF NATURAL RESOURCES & CONSERVATION-5706

OIL & GAS CONSERVATION DIVISION-22



Program Description - The Oil and Gas Conservation Division administers the Montana oil and gas conservation laws to promote conservation and prevent waste in the recovery of these resources through regulation of exploration and production of oil and gas. The division 1) issues drilling permits; 2) classifies wells; 3) establishes well spacing units and pooling orders; 4) inspects drilling, production, and seismic operations; 5) investigates complaints; 6) performs engineering studies; 7) determines incremental production for enhanced recovery and horizontal wells to implement the tax incentive program for those projects; 8) operates the underground injection control program; 9) plugs orphan wells; and 10) collects and maintains complete well data and production information.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2010	PL Base Adjustment Fiscal 2012	New Proposals Fiscal 2012	Total Exec. Budget Fiscal 2012	PL Base Adjustment Fiscal 2013	New Proposals Fiscal 2013	Total Exec. Budget Fiscal 2013
FTE	21.50	0.00	0.00	21.50	0.00	0.00	21.50
Personal Services	1,062,138	252,466	0	1,314,604	253,761	0	1,315,899
Operating Expenses	769,821	68,376	0	838,197	70,968	0	840,789
Equipment & Intangible Assets	48,075	0	0	48,075	0	0	48,075
Total Costs	\$1,880,034	\$320,842	\$0	\$2,200,876	\$324,729	\$0	\$2,204,763
State/Other Special	1,772,483	320,842	0	2,093,325	324,729	0	2,097,212
Federal Special	107,551	0	0	107,551	0	0	107,551
Total Funds	\$1,880,034	\$320,842	\$0	\$2,200,876	\$324,729	\$0	\$2,204,763

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$31,823	\$0
FY 2013	\$31,845	\$0

PL- 2203 - Regulatory Program Operating Adjustment -

This budget request is for \$31,823 in FY 2012 and \$31,845 in FY 2013 in state special revenue. The adjustments include a rent reduction of \$490 per year and property tax increase of \$540 in FY 2012 and \$562 in FY 2013 at USF&G in Helena, a janitorial increase of \$15,173 per year for the Billings office due to building expansion and \$200 per year for an increase in the Helena office, and an increase in contracted legal services (Agency Legal Services Bureau/Dept of Justice) of \$16,400 per year due to ongoing and anticipated litigation.

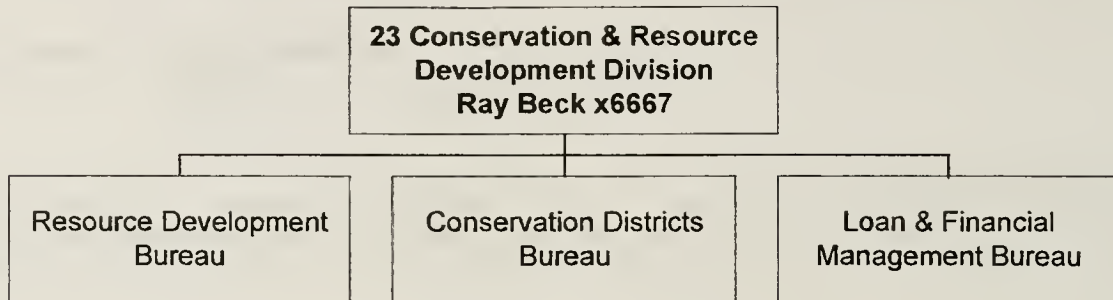
DEPARTMENT OF NATURAL RESOURCES & CONSERVATION-5706
OIL & GAS CONSERVATION DIVISION-22

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$26,931	\$0
FY 2013	\$26,931	\$0

L- 2206 - UIC Program Operating Adjustment -

This budget request is for \$26,931 in FY 2012 and FY 2013 in state special revenue. The adjustments include a minor increase of \$3,331 per year due to an increase in square footage in the Billings office with the new addition and hearing room, and a contracted services increase of \$23,600 per year which includes \$20,000 for UIC engineering services and \$3,600 for general legal counsel services.

DEPARTMENT OF NATURAL RESOURCES & CONSERVATION-5706 CONSERVATION & RESOURCE DEVELOPMENT DIVISION-23



Program Description - The Conservation and Resource Development Division provides technical, administrative, financial and legal assistance to Montana's 58 conservation districts by administering the Conservation District Act, Montana Rangeland Resources Act, and the Natural Streambed and Land Preservation Act. The division also manages several loan and grant programs for local communities, local governments, state agencies, and private citizens. The programs include the state revolving fund, which at the end of FY 2010 included \$472 million loaned to communities for water and waste water systems, coal severance tax loans to governmental entities totaling \$33 million, and private loans for \$19.1 million. Grant programs administered by the division include the Reclamation Development, Renewable Resource, and Conservation District grant programs.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2010	PL Base Adjustment Fiscal 2012	New Proposals Fiscal 2012	Total Exec. Budget Fiscal 2012	PL Base Adjustment Fiscal 2013	New Proposals Fiscal 2013	Total Exec. Budget Fiscal 2013
FTE	25.50	0.00	(0.35)	25.15	0.00	(0.35)	25.15
Personal Services	1,507,721	212,909	(21,194)	1,699,436	211,289	(21,129)	1,697,881
Operating Expenses	2,024,943	154,068	(2,664)	2,176,347	163,795	(2,705)	2,186,033
Equipment & Intangible Assets	25,622	0	0	25,622	0	0	25,622
Local Assistance	0	0	0	0	0	0	0
Grants	1,192,156	100,000	0	1,292,156	100,000	0	1,292,156
Benefits & Claims	0	0	200,000	200,000	0	200,000	200,000
Transfers	0	0	0	0	0	0	0
Debt Service	0	0	0	0	0	0	0
Total Costs	\$4,750,442	\$466,977	\$176,142	\$5,393,561	\$475,084	\$176,166	\$5,401,692
General Fund	1,386,521	65,266	(423,858)	1,027,929	71,217	(423,834)	1,033,904
State/Other Special	3,188,282	266,747	600,000	4,055,029	259,753	600,000	4,048,035
Federal Special	175,639	134,964	0	310,603	144,114	0	319,753
Total Funds	\$4,750,442	\$466,977	\$176,142	\$5,393,561	\$475,084	\$176,166	\$5,401,692

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$56,779	\$3,779
FY 2013	\$64,262	\$4,262

PL- 2301 - CARDD Operating Adjustment -

This budget request is for \$56,779 in FY 2012 and \$64,262 in FY 2013 in general fund, state special, and federal special revenue. This operating adjustment includes increases contracting, office, and travel expenses in the revolving fund loan program, grants program, conservation district program, renewable resource, and reclamation and irrigation programs. There are also cleaning service and telephone service fees increases in non-state owned systems, reductions in rent, and increased tax assessments and janitorial fees.

**DEPARTMENT OF NATURAL RESOURCES & CONSERVATION-5706
CONSERVATION & RESOURCE DEVELOPMENT DIVISION-23**

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$50,000	\$0
FY 2013	\$50,000	\$0

PL- 2303 - Administrative Grants -

This budget request of \$50,000 per year in state special revenue is needed in order for the Administrative Grant Program to improve assistance to Conservation Districts with expenses associated with the operations of the district.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$50,000	\$0
FY 2013	\$50,000	\$0

PL- 2304 - Conservation Districts Projects 223 Grants -

This budget request is for \$50,000 per year in state special revenue. Conservation District responsibilities are increasing at a rapid rate due to the increased emphasis on the States' natural resources. Districts receive a mill levy at the local level but the levy barely meets office expenses leaving limited funds available for project activities.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$80,000	\$0
FY 2013	\$80,000	\$0

PL- 2306 - Coal Bed Methane Operating -

This state special revenue request is for \$80,000 per year. These funds will allow conservation districts with coal bed methane development or impacts associated with such development to use these funds for expenses involved in operating the Coal Bed Methane Protection Program established under 76-15-901, MCA.

-----**New Proposals**-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$200,000	\$0
FY 2013	\$200,000	\$0

PP- 2309 - Drinking Water Loan Assistance -

This request is for \$200,000 of state special revenue each year of the 2013 biennium to match federal authority for hardship communities in the Safe Drinking Water program. This will allow the state to provide assistance to disadvantaged communities who borrow from the program.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$577,642	\$0
FY 2013	\$584,981	\$0

PP- 2323 - Conservation Districts Bureau Fund Switch -

This decision package shifts \$577,642 in FY 2012 and \$584,981 in FY 2013 of funding for the conservation districts bureau from the natural resource operations fund and general fund to the coal severance tax shared account. This change is in order to maintain a positive balance in the natural resource operations fund and to reduce general fund expenditures for the biennium. The coal severance tax shared account may only be used for library services, conservation districts, and the Montana Growth Through Agriculture Act.

DEPARTMENT OF NATURAL RESOURCES & CONSERVATION-5706
CONSERVATION & RESOURCE DEVELOPMENT DIVISION-23

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	(\$23,858)	(\$23,858)
FY 2013	(\$23,834)	(\$23,834)

NP- 55400 - 4% General Fund Personal Services Reduction-CARDD -

The Governor has included a 4% reduction in general fund personal services budgets as a part of his budget recommendations. This decision package reduces the Conservation & Resource Development Division by \$23,858 in FY 2012 and \$23,834 in FY 2013 to implement the budget reduction. The reduction includes the elimination of 0.35 FTE. The FTE is a program specialist position. Impacts include possible delayed work with local governments, payment and contract processing, and reporting to state and federal agencies.

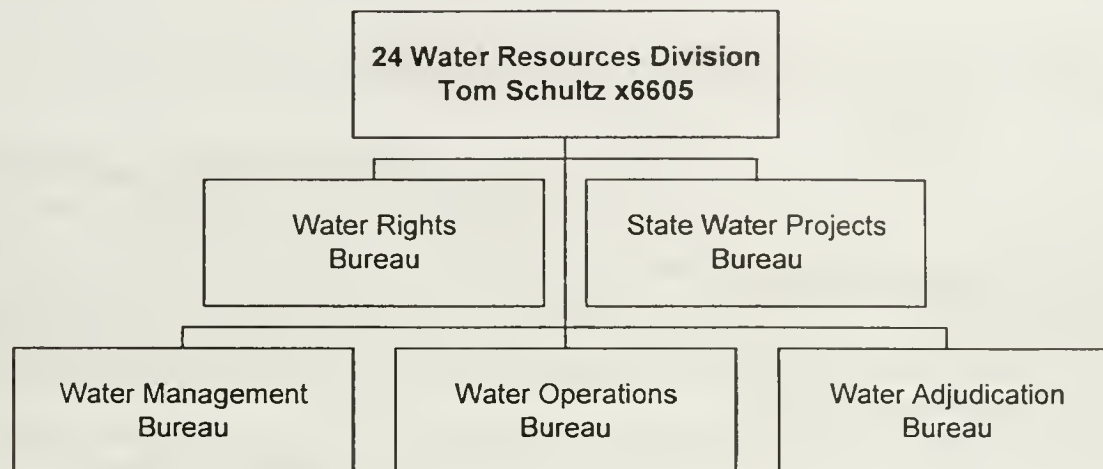
Language Recommendations – “The department is appropriated up to \$1.0 million for the 2013 biennium from the coal bed methane fund for potential landowner or water right holder claims for emergency loss of water related to coal bed methane development.”

“The department is appropriated up to \$600,000 for the 2013 biennium from the natural resources operations fund established for the purchase of prior liens on property held as loan security by the renewable resources grant and loan program.”

“The department is authorized to decrease federal special revenue in the Pollution Control and/or Drinking Water Revolving Fund Loan programs and increase state special revenue by a like amount within administration accounts when the amount of federal EPA CAP grant funds allocated for administration of the grant have been expended or federal funds and bond proceeds will be used for other program purposes as authorized in law providing for the distribution of funds.”

“The Conservation Districts Bureau Fund Switch appropriation of \$400,000 per year in state special revenue derived from the coal tax shared revenue account is contingent upon revenue estimates of \$2,802,000 in FY 2012 and \$2,806,000 in FY 2013 being realized in the coal tax shared revenue account. If the actual revenue to the account is lower than anticipated, there is appropriated the difference between the actual revenue and the revenue estimate - up to \$200,000 per year of general fund to the Conservation Districts Bureau. The amount of general fund spent from this appropriation will be considered to be part of the base budget in the 2015 biennium.”

**DEPARTMENT OF NATURAL RESOURCES & CONSERVATION-5706
WATER RESOURCES DIVISION-24**



Program Description - The Water Resources Division is responsible for many programs associated with the uses, development, and protection of Montana's water. The division manages and maintains the state-owned dams, reservoirs, and canals; develops and recommends in state, interstate, and international water policy to the director, Governor, and Legislature; administers the Dam Safety, Floodplain Management, and Water Management programs; provides support to the Board of Water Well Contractors; assists the Water Court with the adjudication of pre-July 1, 1973 water rights; administers applications for new water rights, changes in historic water rights and ownership updates; and is responsible for maintaining centralized water rights records. The division consists of an administration unit and five bureaus: Water Management Bureau, Water Rights Bureau, Water Adjudication Bureau, State Water Projects Bureau, and the Water Operations Bureau. In addition, the Flathead Basin Commission is administratively attached to the department.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2010	PL Base Adjustment Fiscal 2012	New Proposals Fiscal 2012	Total Exec. Budget Fiscal 2012	PL Base Adjustment Fiscal 2013	New Proposals Fiscal 2013	Total Exec. Budget Fiscal 2013
TE	156.25	0.00	(6.95)	149.30	0.00	(6.95)	149.30
Personal Services	8,744,986	831,082	(358,213)	9,217,855	820,727	(357,939)	9,207,774
Operating Expenses	2,568,583	202,788	(10,000)	2,761,371	212,928	(10,000)	2,771,511
Equipment & Intangible Assets	66,334	0	0	66,334	0	0	66,334
Capital Outlay	3,000	0	0	3,000	0	0	3,000
Debt Service	379,600	90,143	0	469,743	90,143	0	469,743
Total Costs	\$11,762,503	\$1,124,013	(\$368,213)	\$12,518,303	\$1,123,798	(\$367,939)	\$12,518,362
General Fund	7,752,135	847,576	(262,262)	8,337,449	846,855	(262,011)	8,336,979
State/Other Special	3,851,507	254,664	(105,951)	4,000,220	254,418	(105,928)	3,999,997
Federal Special	158,861	21,773	0	180,634	22,525	0	181,386
Total Funds	\$11,762,503	\$1,124,013	(\$368,213)	\$12,518,303	\$1,123,798	(\$367,939)	\$12,518,362

DEPARTMENT OF NATURAL RESOURCES & CONSERVATION-5706

WATER RESOURCES DIVISION-24

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$187,243	\$0
FY 2013	\$187,243	\$0

PL- 2401 - WRD Base Operating Restoration -

This base operating adjustment is for \$187,243 per year in state and federal special revenue. The base restoration is for zero based overtime at the Broadwater hydropower facility, additional per diem and contracted services for survey work and legal and other litigation costs for the Board of Water Well Contractors, and debt service for repayment of a federal loan for rehabilitation on the Middle Creek Dam.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$6,000	\$0
FY 2013	\$6,000	\$0

PL- 2402 - Records Management Contract -

This budget request is for an increase of \$6,000 per year in state special revenue authority for the storage of water right files. Rates will increase at the beginning of FY 2012 and it is projected that the number of boxes being pulled in the 2013 biennium will increase.

-----New Proposals-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	(\$90,250)	\$0
FY 2013	(\$90,036)	\$0

NP- 2407 - Resource Allocation Transfer to Water Court -

This request reduces 2.00 FTE and \$90,250 in FY 2012 and \$90,036 in FY 2013 in water adjudication state special revenue from the Water Resources Division. In accordance with the resource allocation plan between DRNC and Water Court in planning for the sunset of the HB 22 Adjudication Program in 2020, duties are being transferred from DNRC to the Water Court in the Judicial Branch.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	(\$5,000)	(\$5,000)
FY 2013	(\$5,000)	(\$5,000)

NP- 55140 - Crown Managers Partnership Reduction -

This budget request is for a decrease of \$5,000 per year of general fund to make a reduction made under 17-7-140, MCA, permanent. The \$10,000 was used for a MOU with the Province of Alberta. The Trust Lands Management Division will cover the \$10,000 that Water Resources no longer pays.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	(\$5,000)	(\$5,000)
FY 2013	(\$5,000)	(\$5,000)

NP- 55141 - Columbia River Hydro System Reduction -

This budget request is for a decrease of \$5,000 per year of general fund to make a reduction made under 17-7-140, MCA, permanent. The Water Resources Division had an MOU with the Northwest Power and Conservation Council for \$10,000 each year. This reduction of \$5,000 would remove all base expenditures for the MOU permanently.

DEPARTMENT OF NATURAL RESOURCES & CONSERVATION-5706

WATER RESOURCES DIVISION-24

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	(\$267,963)	(\$252,262)
FY 2013	(\$267,903)	(\$252,011)

BP- 55400 - 4% General Fund Personal Services Reduction-WRD -

The Governor has included a 4% reduction in general fund personal services budgets as a part of his budget recommendations. This decision package reduces the Water Resources Division by \$267,963 in FY 2012 and \$267,903 in FY 2013 to implement the budget reduction. The reduction includes the elimination of 4.95 FTE. The positions and duties the division would forfeit include: 1.00 FTE Hearings Officer (an Administrative Law Judge), 1.00 FTE Hydrologist, 1.00 FTE Water Resource Specialist, 1.00 FTE Water Planner, 0.50 FTE License Permit Technician, and 0.45 FTE Water Resource Specialist.

Language Recommendations – “During the 2013 biennium, up to \$1 million of funds currently in or to be deposited in the Broadwater replacement and renewal account is appropriated to the department for repairing or replacing equipment at the Broadwater hydropower facility.”

During the 2013 biennium, up to \$100,000 of interest earned on the Broadwater water users account is appropriated to the department for the purpose of repair, improvement, or rehabilitation of the Broadwater-Missouri diversion project.”

During the 2013 biennium, up to \$500,000 of funds currently in or to be deposited in the state project hydropower earnings account is appropriated for the purpose of repairing, improving, or rehabilitating department state water projects.”

DEPARTMENT OF NATURAL RESOURCES & CONSERVATION-5706 RESERVED WATER RIGHTS COMPACT COMMISSION-25

**25 Reserved Water Rights
Compact Commission
Bill Schultz 542-5880**

Program Description - The Montana Reserved Water Rights Compact Commission was created by the Legislature in 1979 as part of the state-wide water rights adjudication effort. It consists of four members appointed by the Governor, two by the President of the Senate, two by the Speaker of the House of Representatives, and one by the Attorney General. Members serve for four years. The commission negotiates water rights with the Indian tribes and federal agencies, which claim federal reserved water rights within the state, to establish a formal agreement (compact) on the amount of water to be allocated to each interest. The Compact Commission is scheduled to sunset on July 1, 2013.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2010	PL Base Adjustment Fiscal 2012	New Proposals Fiscal 2012	Total Exec. Budget Fiscal 2012	PL Base Adjustment Fiscal 2013	New Proposals Fiscal 2013	Total Exec. Budget Fiscal 2013
FTE	5.00	0.00	(0.25)	4.75	0.00	(0.25)	4.75
Personal Services	405,155	23,443	(16,885)	411,713	53,346	(16,880)	441,621
Operating Expenses	158,704	3,874	0	162,578	12,501	0	171,205
Total Costs	\$563,859	\$27,317	(\$16,885)	\$574,291	\$65,847	(\$16,880)	\$612,826
General Fund	516,319	74,857	(16,885)	574,291	113,387	(16,880)	612,826
State/Other Special	47,540	(47,540)	0	0	(47,540)	0	0
Total Funds	\$563,859	\$27,317	(\$16,885)	\$574,291	\$65,847	(\$16,880)	\$612,826

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$4,000	\$4,000
FY 2013	\$4,000	\$4,000

PL- 2501 - RWRCC Per Diem -

This budget request is for \$4,000 per year in general fund for per diem for the commissioners. The commissioners are the lead negotiators for the state, on behalf of the Governor, and are paid a per diem for any time spent traveling to meetings and negotiating sessions. Currently, commissioners on the CSKT negotiating team are meeting 2-3 days a month.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$0	\$0
FY 2013	\$38,000	\$38,000

PL- 2502 - RWRCC Sunset Implementation -

This budget request is for \$38,000 in FY 2013 in general fund to facilitate the sunset of the compact commission. The RWRCC is scheduled to sunset at the end of FY 2013, wrapping up over 30 years of important work negotiating reserved water rights settlements with tribes and federal agencies. Funding will be required for moving staff to another building as well as for potential retirement payouts.

**DEPARTMENT OF NATURAL RESOURCES & CONSERVATION-5706
RESERVED WATER RIGHTS COMPACT COMMISSION-25**

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$3,961	\$3,961
FY 2013	\$4,410	\$4,410

L- 2504 - RWRCC Operating Adjustment -

This request is for \$3,961 in FY 2012 and \$4,410 in FY 2013 in general fund. This adjustment includes an increase in property taxes and janitorial costs and a decrease in rent of a non-state building.

-----**New Proposals**-----

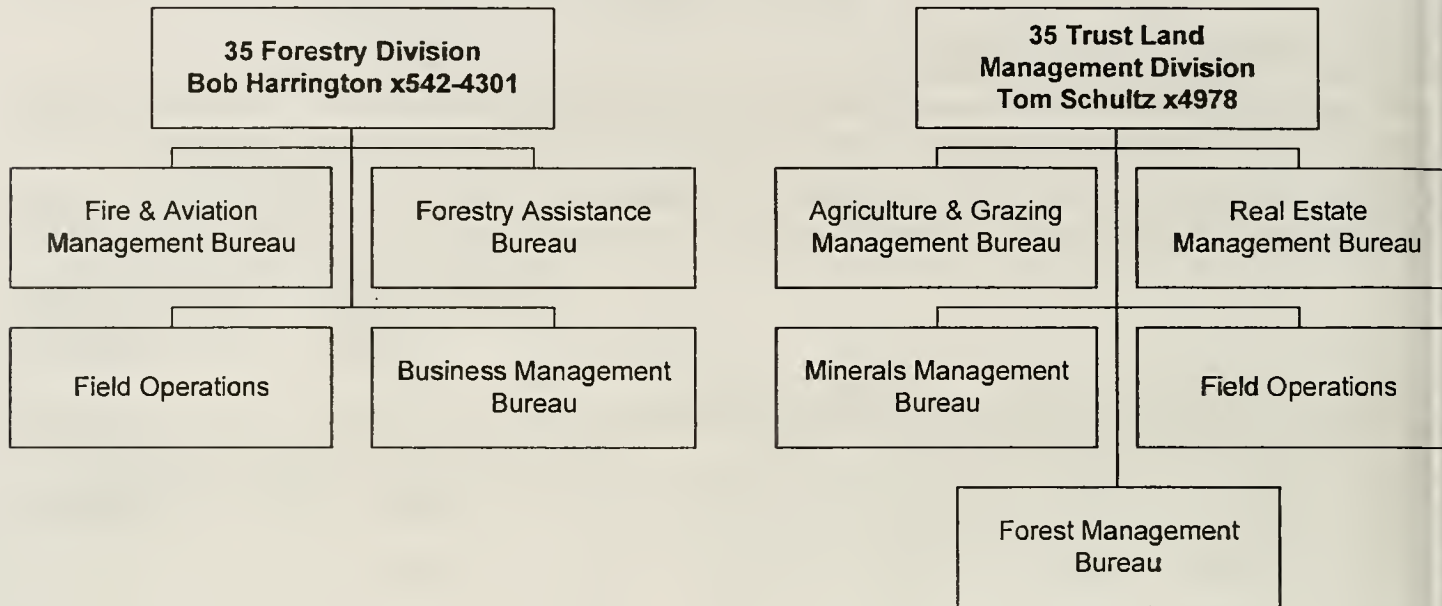
	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	(\$16,885)	(\$16,885)
FY 2013	(\$16,880)	(\$16,880)

IP- 55400 - 4% General Fund Personal Services Reduction-RWRCC -

The Governor has included a 4% reduction in general fund personal services budgets as a part of his budget recommendations. This decision package reduces the Reserved Water Rights Compact Commission by \$16,885 in FY 2012 and \$16,880 in FY 2013 to implement the budget reduction. The reduction includes the elimination of 0.25 FTE. The FTE is a staff hydrologist position reduced from 1.00 to 0.75 FTE.

DEPARTMENT OF NATURAL RESOURCES & CONSERVATION-5706 FORESTRY/TRUST LANDS-35

Please note that this program also contains proprietary funding (see Section P).



Program Description - The Forestry Division is responsible for planning and implementing forestry programs statewide. Forestry responsibilities include protecting natural resources from wildfire, regulating forest practices, and providing a variety of services to private forest landowners.

The Trust Land Management Division provides for the administration and management of trust lands granted to the State of Montana by the Enabling Act of 1889. These lands currently total 5.2 million surface acres and 6.2 million mineral acres. Additionally, the division is responsible for the administration of approximately 6,000 miles (40,000+ acres) of the beds of navigable waterways. The Trust Land Management Division is divided into four primary programs: forest management; agriculture and grazing management; special use management; and minerals management.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2010	PL Base Adjustment Fiscal 2012	New Proposals Fiscal 2012	Total Exec. Budget Fiscal 2012	PL Base Adjustment Fiscal 2013	New Proposals Fiscal 2013	Total Exec. Budget Fiscal 2013
FTE	307.94	0.00	(3.70)	304.24	0.00	(3.70)	304.24
Personal Services	16,498,498	1,540,129	(180,229)	17,858,398	1,532,590	(179,904)	17,851,184
Operating Expenses	7,197,551	891,004	(86,816)	8,001,739	965,185	(87,541)	8,075,195
Equipment & Intangible Assets	956,431	0	(150,965)	805,466	0	(150,965)	805,466
Capital Outlay	119,204	0	0	119,204	0	0	119,204
Grants	184,491	0	0	184,491	0	0	184,491
Transfers	1,218,390	118,666	(62,806)	1,274,250	113,275	(62,326)	1,269,339
Debt Service	3,675	0	0	3,675	0	0	3,675
Total Costs	\$26,178,240	\$2,549,799	(\$480,816)	\$28,247,223	\$2,611,050	(\$480,736)	\$28,308,554
General Fund	9,686,429	1,204,183	(480,816)	10,409,796	1,272,773	(480,736)	10,478,466
State/Other Special	15,384,020	1,248,491	0	16,632,511	1,251,145	0	16,635,165
Federal Special	1,107,791	97,125	0	1,204,916	87,132	0	1,194,923
Total Funds	\$26,178,240	\$2,549,799	(\$480,816)	\$28,247,223	\$2,611,050	(\$480,736)	\$28,308,554

**DEPARTMENT OF NATURAL RESOURCES & CONSERVATION-5706
FORESTRY/TRUST LANDS-35**

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$118,666	\$78,320
FY 2013	\$113,275	\$74,762

PL- 3501 - Air Operations Transfer -

This request is for \$118,666 in FY 2012 and \$113,275 in FY 2013 in general fund and state special revenue to fund salaries and increased rent and aircraft insurance for the department's aviation program. These funds will be transferred to the air operations proprietary fund to cover these costs.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$290,671	\$0
FY 2013	\$290,671	\$0

PL- 3506 - Contract Harvesting Base Restoration -

This request is for \$290,671 per year in state special revenue to restore the base budget for contract harvesting. The Contract Harvest Project was approved by the 2007 Legislature under SB 25. During FY 2010, the division successfully completed the first pilot project for the School for the Deaf and Blind. The base restoration is requested to facilitate two timber sales per year in this program. The division continues to pursue opportunities to increase revenue potential through marketing various timber products to the highest value purchaser.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$256,594	\$0
FY 2013	\$256,594	\$0

PL- 3507 - Private Funds Land Transaction Base Restoration -

This request is for \$256,594 per year in state special revenue to restore the base budget for private fund land transactions within the Trust Land Management Division for the Land Bank and Land Exchange programs within the Real Estate Management Bureau.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$7,202	\$0
FY 2013	\$8,129	\$0

PL- 3508 - Trust Lands Operating Expense Adjustment -

This Trust Lands Management request is for \$7,202 in FY 2012 and \$8,129 in FY 2013 in state special revenue. This adjustment includes an increase in property taxes and janitorial costs and a decrease in rent of a non-state building.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$201,884	\$0
FY 2013	\$201,600	\$0

PL- 3509 - Federal Fire Reimbursement Restoration -

This base restoration request is for \$201,884 in FY 2012 and \$201,600 in FY 2013 in federal special revenue. This authority is needed to support equipment maintenance and training needs associated with federal assist fires.

**DEPARTMENT OF NATURAL RESOURCES & CONSERVATION-5706
FORESTRY/TRUST LANDS-35**

-----**New Proposals**-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	(\$199,347)	(\$199,347)
FY 2013	(\$199,347)	(\$199,347)

NP- 55140 - Operating and Equipment Reduction/Forestry Div -

This budget request is for a decrease of \$199,347 per year of general fund to make a reduction made under 17-7-140, MCA permanent. The division will reduce operating expenses by \$45,382 and equipment by \$150,965. Equipment reductions include 3 county co-op fire engines, 1 direct protection fire engine, and 1 fire pickup truck.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	(\$281,469)	(\$281,469)
FY 2013	(\$281,389)	(\$281,389)

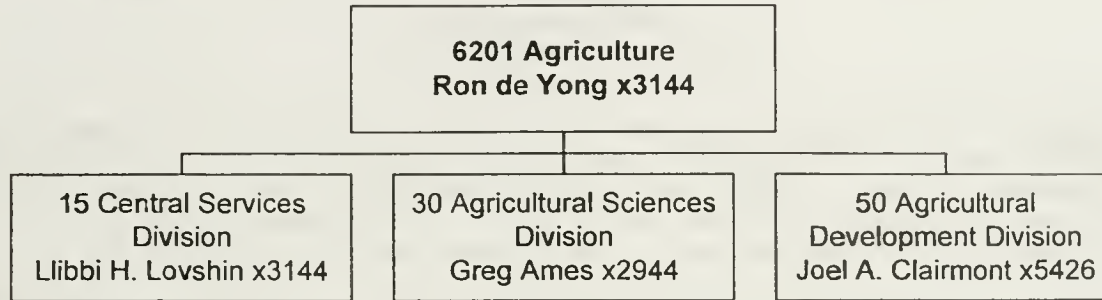
NP- 55400 - 4% General Fund Personal Services Reduction-Forestry -

The Governor has included a 4% reduction in general fund personal services budgets as a part of his budget recommendations. This decision package reduces the Forestry Division by \$281,469 in FY 2012 and \$281,389 in FY 2013 to implement the budget reduction. The reduction includes the elimination of 3.70 FTE.

Language Recommendations – “The department is appropriated up to \$2 million for the 2013 biennium from the fire suppression account for the purpose of paying expenses for fire prevention, including fuel mitigation, grants for the purchase of fire suppression equipment for county cooperatives, and fire suppression costs.”

DEPARTMENT OF AGRICULTURE-6201

Please note that this agency also contains proprietary funding (see Section P).



Mission Statement - To protect producers and consumers and to enhance and develop agriculture and allied industries.

Statutory Authority - Article XII, Section 1, Montana Constitution; Title 80, Chapters 1-20, MCA

Agency Proposed Budget							
Budget Item	Base Budget Fiscal 2010	PL Base Adjustment Fiscal 2012	New Proposals Fiscal 2012	Total Exec. Budget Fiscal 2012	PL Base Adjustment Fiscal 2013	New Proposals Fiscal 2013	Total Exec. Budget Fiscal 2013
FTE	118.42	0.00	1.98	120.40	0.00	1.98	120.40
Personal Services	5,875,640	673,170	90,172	6,638,982	669,344	89,832	6,634,816
Operating Expenses	3,092,278	426,113	159,908	3,678,299	390,976	160,198	3,643,452
Equipment & Intangible Assets	375,624	375,500	282,000	1,033,124	500	2,000	378,124
Grants	4,383,401	335,000	6,000	4,724,401	335,000	6,000	4,724,401
Transfers	326,489	14,150	70,000	410,639	14,150	70,000	410,639
Total Costs	\$14,053,432	\$1,823,933	\$608,080	\$16,485,445	\$1,409,970	\$328,030	\$15,791,432
General Fund	880,007	150,665	305,709	1,336,381	102,318	305,703	1,288,028
State/Other Special	10,561,977	1,406,195	280,000	12,248,172	1,035,474	0	11,597,451
Federal Special	2,111,490	195,091	22,371	2,328,952	195,848	22,327	2,329,665
Proprietary	499,958	71,982	0	571,940	76,330	0	576,288
Total Funds	\$14,053,432	\$1,823,933	\$608,080	\$16,485,445	\$1,409,970	\$328,030	\$15,791,432

DEPARTMENT OF AGRICULTURE-6201 CENTRALIZED SERVICES DIVISION-15

**15 Central Services
Division**
 Libbi H. Lovshin x3144

Program Description - The Central Services Division (CSD) performs technical, fiscal, and administrative support functions for the department's internal operations and related programs. Responsibilities include accounting, budgeting, payroll, human resources, purchasing, property control, data processing, systems analysis and computer programming, equal opportunity administration, public information, and legal support to all programs within the department. Included in this division is the Director's Office, which provides overall policy development for the department.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2010	PL Base Adjustment Fiscal 2012	New Proposals Fiscal 2012	Total Exec. Budget Fiscal 2012	PL Base Adjustment Fiscal 2013	New Proposals Fiscal 2013	Total Exec. Budget Fiscal 2013
FTE	14.87	0.00	0.00	14.87	0.00	0.00	14.87
Personal Services	977,749	9,714	0	987,463	10,288	0	988,037
Operating Expenses	184,301	34,772	0	219,073	(8,165)	0	176,136
Total Costs	\$1,162,050	\$44,486	\$0	\$1,206,536	\$2,123	\$0	\$1,164,173
General Fund	125,228	22,418	0	147,646	(25,211)	0	100,017
State/Other Special	747,596	61,231	0	808,827	61,257	0	808,853
Federal Special	146,259	(19,484)	0	126,775	(19,484)	0	126,775
Proprietary	142,967	(19,679)	0	123,288	(14,439)	0	128,528
Total Funds	\$1,162,050	\$44,486	\$0	\$1,206,536	\$2,123	\$0	\$1,164,173

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$28,000	\$0
FY 2013	\$28,000	\$0

PL- 151 - Program 15 Base Budget Adjustments -

This request of \$28,000 federal special revenue funding each year of the 2013 biennium will restore operating authority to base levels in the Central Services Division (CSD). These additional federal special revenue funds will be used to purchase office supplies, office equipment and pay for travel expenses in CSD.

DEPARTMENT OF AGRICULTURE-6201 AGRICULTURAL SCIENCES DIVISION-30

**30 Agricultural Sciences
Division
Greg Ames x2944**

**Analytical Laboratory
Bureau**

**Commodity Services
Bureau**

**Pest Management
Bureau**

**Technical Services
Bureau**

Program Description - The Agricultural Sciences Division (ASD) administers, manages, coordinates, and evaluates the major activities of: 1) pesticide management; 2) pest management; 3) analytical laboratory services; 4) noxious weed management; 5) agricultural chemical groundwater program; 6) seed, feed and fertilizer program; 7) organic certification; 8) nursery program; 9) apiary program; 10) commodity programs; and 11) invasive species. Duties also include administering agricultural programs related to the production, manufacturing, and marketing of commodities exported from or distributed in the state. The program provides support to the Montana Noxious Weed Management Advisory Council, Noxious Weed Seed Free Forage Advisory Council, Montana Noxious Weed Summit Advisory Council, Montana Organic Commodity Advisory Council, and the Montana Mint Committee.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2010	PL Base Adjustment Fiscal 2012	New Proposals Fiscal 2012	Total Exec. Budget Fiscal 2012	PL Base Adjustment Fiscal 2013	New Proposals Fiscal 2013	Total Exec. Budget Fiscal 2013
STATE	64.18	0.00	2.60	66.78	0.00	2.60	66.78
Personal Services	3,466,481	269,286	117,963	3,853,730	268,747	117,629	3,852,857
Operating Expenses	1,541,910	264,212	159,908	1,966,030	269,657	160,198	1,971,765
Equipment & Intangible Assets	360,624	375,500	282,000	1,018,124	500	2,000	363,124
Grants	2,930,006	200,000	6,000	3,136,006	200,000	6,000	3,136,006
Transfers	61,692	14,150	70,000	145,842	14,150	70,000	145,842
Total Costs	\$8,360,713	\$1,123,148	\$635,871	\$10,119,732	\$753,054	\$355,827	\$9,469,594
General Fund	289,370	11,351	333,500	634,221	11,314	333,500	634,184
State/Other Special	6,114,471	897,222	280,000	7,291,693	526,408	0	6,640,879
Federal Special	1,956,872	214,575	22,371	2,193,818	215,332	22,327	2,194,531
Total Funds	\$8,360,713	\$1,123,148	\$635,871	\$10,119,732	\$753,054	\$355,827	\$9,469,594

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$391,275	\$12,000
FY 2013	\$391,275	\$12,000

PL- 3001 - Program 30 Base Budget Adjustments -

Actual expenditures in FY 2010 were lower than the level authorized by the 61st Legislature. This proposal restores \$12,000 of general fund, \$148,775 of state special revenue, and \$230,500 of federal special revenue authority each year of the 2013 biennium. This additional funding will be used for office supplies, field supplies, lab supplies, training, and travel expenses.

**DEPARTMENT OF AGRICULTURE-6201
AGRICULTURAL SCIENCES DIVISION-30**

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$375,000	\$0
FY 2013	\$0	\$0

PL- 3002 - Analytical Lab Equipment (Bien - OTO) -

This request is for \$375,000 of one-time-only biennial state special revenue funding to purchase a replacement Micromass Quattro Ultima LC/MS/MS instrument (\$350,000) and a replacement LECO FP-528 Nitrogen Combustion instrument (\$25,000). The Micromass Quattro Ultima LC/MS/MS instrument is used for testing metabolite residues in pesticide and groundwater samples for the Analytical Lab in Bozeman. This replacement was originally requested for the 2011 biennium but the instrument is still functional and is still supported by the manufacturer. The LECO FP-528 Nitrogen Combustion instrument is used in the Feed and Fertilizer programs to measure nitrogen in fertilizers, protein in feeds, and nitrogen in water. The nitrogen combustion technique is the industry standard for these measurements and has a proven track record of reliability and performance. The current instrument was purchased in 2002 and is approaching the end of its useful life. The new instrument incorporates improvements in hardware and software that include more checks and balances for accurate instrument control, performance and troubleshooting.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$35,425	\$0
FY 2013	\$35,425	\$0

PL- 3009 - Apiary Program Increase -

This request is for an increase in state special revenue funding of \$35,425 each year of the biennium to support efforts to prevent the spread of pests and contagious and infectious disease among bees and apiaries. This additional funding, due to a rule change of the fee structure, will be used for office supplies, field supplies, training, and expenses for travel to inspection sites.

-----**New Proposals**-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$280,000	\$0
FY 2013	\$0	\$0

NP- 3006 - Web AG Product Registration System (Bien - OTO) -

The executive recommends \$280,000 biennial one-time-only state special revenue funding to continue upgrading an existing licensing and registration system to allow web based product and apiary registrations.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$22,371	\$0
FY 2013	\$22,327	\$0

NP- 3007 - Pesticide Recycling Truck Driver -

Title 80, Chapter 8, part 111, MCA establishes a waste pesticide and pesticide container collection, disposal, and recycling program. This proposal would increase federal special revenue authority by \$22,371 in FY 2012 and \$22,327 in FY 2013 to hire a 0.60 FTE to drive the pesticide recycling truck. The pesticide plastic container recycling program is required by statute and has been widely supported by the industry.

**DEPARTMENT OF AGRICULTURE-6201
AGRICULTURAL SCIENCES DIVISION-30**

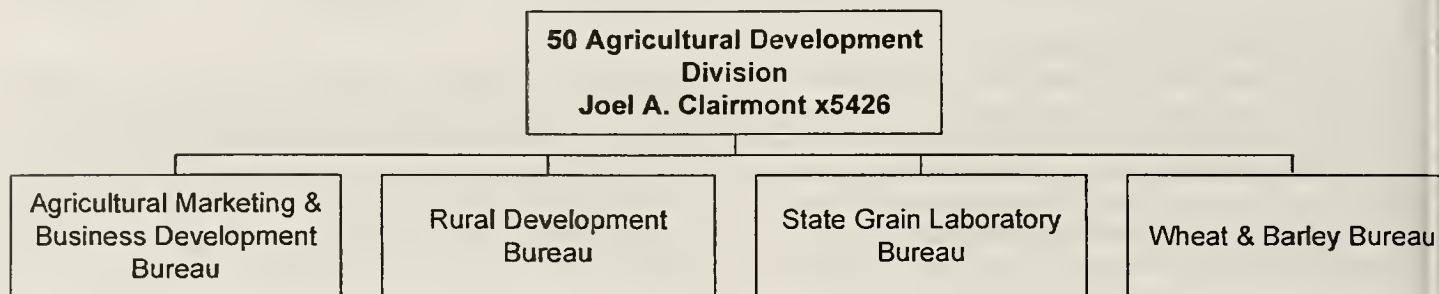
	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$333,500	\$333,500
FY 2013	\$333,500	\$333,500

IP- 3008 - Invasive Species (OTO) -

The budget includes 2.00 FTE and \$333,500 of one-time-only general fund each year of the 2013 biennium to continue operating the invasive species program. The 2.00 FTE consist of one invasive species coordinator and one administrative/technical position. Invasive species program efforts include prevention, identification, response, and management of invasive species that threaten Montana. The department will focus on outreach and education, border check stations, management areas, response to invasive species detections, and management of invasive species under the strategic plan, including an executive summary outlining planning efforts of the state. This funding supports the Department of Agriculture, the Department of Fish, Wildlife, and Parks, and local invasive species efforts.

DEPARTMENT OF AGRICULTURE-6201 AGRICULTURAL DEVELOPMENT DIVISION-50

Please note that this program also contains proprietary funding (see Section P).



Program Description - The Agricultural Development Division (ADD) administers programs to promote Montana agriculture. The division is comprised of the following bureaus: Rural Development, Wheat and Barley, Agriculture Marketing & Business Development, and the State Grain Laboratory. The division provides support to the Alfalfa Seed Committee, the Montana Wheat and Barley Committee, the Montana Agricultural Development Council, the Board of Hail Insurance, and advisory committees of cherries, potatoes, and pulse crops. The division provides administrative support and shares an employee with the Ag in Montana Schools program.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2010	PL Base Adjustment Fiscal 2012	New Proposals Fiscal 2012	Total Exec. Budget Fiscal 2012	PL Base Adjustment Fiscal 2013	New Proposals Fiscal 2013	Total Exec. Budget Fiscal 2013
FTE	39.37	0.00	(0.62)	38.75	0.00	(0.62)	38.75
Personal Services	1,431,410	394,170	(27,791)	1,797,789	390,309	(27,797)	1,793,922
Operating Expenses	1,366,067	127,129	0	1,493,196	129,484	0	1,495,551
Equipment & Intangible Assets	15,000	0	0	15,000	0	0	15,000
Grants	1,453,395	135,000	0	1,588,395	135,000	0	1,588,395
Transfers	264,797	0	0	264,797	0	0	264,797
Total Costs	\$4,530,669	\$656,299	(\$27,791)	\$5,159,177	\$654,793	(\$27,797)	\$5,157,665
General Fund	465,409	116,896	(27,791)	554,514	116,215	(27,797)	553,827
State/Other Special	3,699,910	447,742	0	4,147,652	447,809	0	4,147,719
Federal Special	8,359	0	0	8,359	0	0	8,359
Proprietary	356,991	91,661	0	448,652	90,769	0	447,760
Total Funds	\$4,530,669	\$656,299	(\$27,791)	\$5,159,177	\$654,793	(\$27,797)	\$5,157,665

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$238,950	\$36,200
FY 2013	\$238,950	\$36,200

PL- 5001 - Program 50 Base Budget Adjustments -

Actual expenditures in FY 2010 were lower than the level authorized by the 61st Legislature. This proposal restores \$36,200 of general fund, \$162,750 of state special revenue authority and \$40,000 of enterprise funding each year of the 2013 biennium. This funding will be used to pay for grants, overtime, equipment, contracts, travel and meeting expenses in the Agricultural Development Division (ADD).

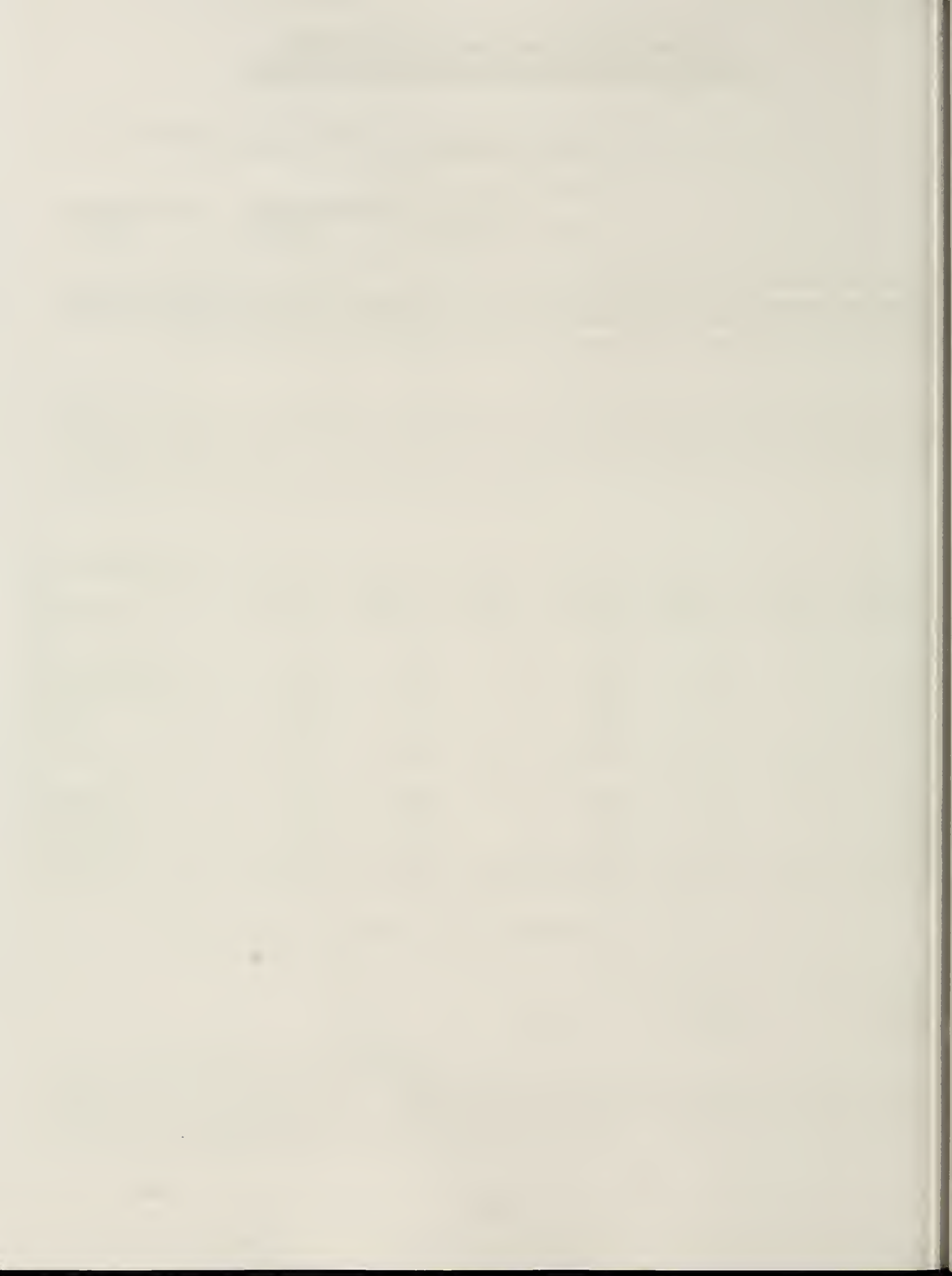
**DEPARTMENT OF AGRICULTURE-6201
AGRICULTURAL DEVELOPMENT DIVISION-50**

-----**New Proposals**-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	(\$27,791)	(\$27,791)
FY 2013	(\$27,797)	(\$27,797)

P- 55400 - 4% Personal Services Reduction -

he Governor has included a 4% reduction in general fund personal services budgets as a part of his budget recommendations. This decision package reduces the Agriculture Development Division by \$27,791 in FY 2012 and 27,797 in FY 2013 to implement the budget reduction. The reduction includes the elimination of 0.62 FTE.





GOVERNOR
BRIAN SCHWEITZER

STATE OF MONTANA

SECTION D: JUDICIAL BRANCH, LAW ENFORCEMENT, & JUSTICE

Judicial Branch
Crime Control Division
Department of Justice

Public Service Regulation
Office of Public Defender
Department of Corrections

OBPP Staff:

Brent Doig

x4118



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING



JUDICIAL BRANCH-2110

Please note that this agency also contains proprietary funding (see Section P).



Mission Statement - The Judicial Branch's mission is to provide an independent, accessible, responsive, impartial and timely forum to resolve disputes; to preserve the rule of law; and to protect the rights and liberties guaranteed by the Constitutions of the United States and Montana.

Statutory Authority - Article III, Section 1, and Article VII, Montana Constitution; Title 3, MCA.

Agency Proposed Budget							
Budget Item	Base Budget Fiscal 2010	PL Base Adjustment Fiscal 2012	New Proposals Fiscal 2012	Total Exec. Budget Fiscal 2012	PL Base Adjustment Fiscal 2013	New Proposals Fiscal 2013	Total Exec. Budget Fiscal 2013
TE	410.08	6.50	3.00	419.58	9.16	3.00	422.24
Personal Services	27,508,677	3,157,180	168,228	30,834,085	3,430,099	167,819	31,106,595
Operating Expenses	8,319,831	(86,260)	112,789	8,346,360	(96,983)	112,789	8,335,637
Equipment & Intangible Assets	142,165	0	0	142,165	0	0	142,165
Debt Service	11,651	0	0	11,651	0	0	11,651
Total Costs	\$35,982,324	\$3,070,920	\$281,017	\$39,334,261	\$3,333,116	\$280,608	\$39,596,048
General Fund	33,937,675	2,733,502	281,017	36,952,194	2,802,493	280,608	37,020,776
State/Other Special	1,922,472	336,663	0	2,259,135	529,811	0	2,452,283
Federal Special	122,177	755	0	122,932	812	0	122,989
Total Funds	\$35,982,324	\$3,070,920	\$281,017	\$39,334,261	\$3,333,116	\$280,608	\$39,596,048

JUDICIAL BRANCH-2110

Table D-1

Judicial Branch Budget Request Compared to Executive Recommended Budget

BIENNIAL AMOUNTS FY 2012 & FY 2013

	Branch	OBPP	OBPP Over/(Under)
<u>Branch Wide</u>	Submission	Recommended	Submission
FTE	423.24	422.24	(1.00)
Personal Services	62,026,654	61,940,680	(85,974)
Operating Costs	17,105,717	17,061,591	(44,126)
Equipment	284,330	284,330	-
Grants	-	-	-
Debt Service	<u>23,302</u>	<u>23,302</u>	<u>-</u>
TOTAL	<u>\$ 79,440,003</u>	<u>\$ 79,309,903</u>	<u>\$ (130,100)</u>
<u>Fundin</u>			
<u>g</u>			
General Fund	74,103,070	73,972,970	(130,100)
State/Other Special	4,711,418	4,711,418	-
Federal	245,921	245,921	-
Proprietary	<u>379,594</u>	<u>379,594</u>	<u>-</u>
TOTAL	<u>\$ 79,440,003</u>	<u>\$ 79,309,903</u>	<u>\$ (130,100)</u>

ITEMS NOT RECOMMENDED

AMOUNTS NOT RECOMMENDED TO BE FUNDED

	FTE	FY 2012	FY 2013	TOTAL REDUCTION
Family Evaluator Pilot Program	1.00	50,837	47,637	98,474
	-	-	-	-

Per 17-7-122 (3), MCA, the Executive is including this table to show the Legislative Branch's budget proposals not included in the Executive's recommended budget.

The difference between the unincluded item and funding difference is the continuation of the 2% reduction and adjustments to fixed costs.

JUDICIAL BRANCH-2110 SUPREME COURT OPERATIONS-01

01 Supreme Court Operations
Lois Menzies 841-2957

Program Description - The Supreme Court has appellate jurisdiction for the State of Montana. The court has original jurisdiction to issue, hear, and determine writs of habeas corpus and other writs provided by law. It also has general supervisory control over all other courts in the state. The Supreme Court is charged with establishing rules governing appellate procedure, the practice and procedure for all other courts, and admission to the bar and conduct of its members. Within the Supreme Court Operations program, the Office of Court Administrator provides centralized services to the Judicial Branch including information technology, budget and finance, payroll and human resource management, policy and technical support for the Youth Courts, judicial education, and services provided through the Federal Court Assessment Program related to child abuse and neglect cases.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2010	PL Base Adjustment Fiscal 2012	New Proposals Fiscal 2012	Total Exec. Budget Fiscal 2012	PL Base Adjustment Fiscal 2013	New Proposals Fiscal 2013	Total Exec. Budget Fiscal 2013
TE	65.75	0.00	3.00	68.75	0.00	3.00	68.75
Personal Services	4,630,756	497,274	168,228	5,296,258	494,922	167,819	5,293,497
Operating Expenses	4,602,133	(264,514)	127,699	4,465,318	(267,271)	127,699	4,462,561
Total Costs	\$9,232,889	\$232,760	\$295,927	\$9,761,576	\$227,651	\$295,518	\$9,756,058
General Fund	8,959,376	185,105	295,927	9,440,408	179,939	295,518	9,434,833
State/Other Special	151,336	46,900	0	198,236	46,900	0	198,236
Federal Special	122,177	755	0	122,932	812	0	122,989
Total Funds	\$9,232,889	\$232,760	\$295,927	\$9,761,576	\$227,651	\$295,518	\$9,756,058

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$4,862	\$4,862
FY 2013	\$7,351	\$7,351

PL- 1002 - Rent North Park Building -

This request is for an additional general fund appropriation of \$4,862 in FY 2012 and \$7,351 in FY 2013 to cover the increase in lease payments for space rented at the North Park Building in Helena. The increase is required per the lease agreement.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$46,900	\$0
FY 2013	\$46,900	\$0

PL- 1003 - Drug Court Fees -

The Judicial Branch is requesting \$46,900 in each FY 2012 and FY 2013 in state special revenue authority for fees collected from drug court participants. The total amount of fees collected in FY 2010 was \$3,100. The total amount requested plus the base will bring state special authority to \$100,000 for the 2013 biennium. Drug courts have indicated that fee collections will significantly increase in the 2013 biennium. Fees collected will be used for drug court operating costs.

**JUDICIAL BRANCH-2110
SUPREME COURT OPERATIONS-01**

-----New Proposals-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$295,927	\$295,927
FY 2013	\$295,518	\$295,518

NP- 1001 - Court Help Program - OTO -

This proposal requests \$591,445 in general fund for the biennium to continue the Court Help Program, which provides assistance to litigants representing themselves in civil cases. The funding continues a program created by the 2007 Legislature and funded again by the 2009 Legislature. The program consists of full-time staffed court help law centers in Kalispell and Billings, a program coordinator, and a legal resources developer charged with increasing the number of attorneys willing to provide free legal services. Part-time law centers also are funded in Missoula and Bozeman. The law centers provide information and resources to assist people in navigating the civil court system. The program does not provide legal advice or legal representation.

JUDICIAL BRANCH-2110 BOARDS & COMMISSIONS-02

02 Boards & Commissions
Lois Menzies 841-2957

Program Description - The Boards and Commissions Program provides staff and other support to constitutionally and statutorily required commissions attached to the Montana Supreme Court, specifically the Judicial Standards Commission, the Sentence Review Board, and the Commission on Courts of Limited Jurisdiction. The program also supports activities of the Commission on Practice. Other specialized commissions and task forces - not required by the Constitution and statute but created by the Supreme Court to address specific issues - receive minimal financial assistance with travel expenses and supplies.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2010	PL Base Adjustment Fiscal 2012	New Proposals Fiscal 2012	Total Exec. Budget Fiscal 2012	PL Base Adjustment Fiscal 2013	New Proposals Fiscal 2013	Total Exec. Budget Fiscal 2013
TE	3.00	0.00	0.00	3.00	0.00	0.00	3.00
Personal Services	173,145	22,350	0	195,495	22,748	0	195,893
Operating Expenses	188,096	13,335	(5,472)	195,959	100	(5,472)	182,724
Total Costs	\$361,241	\$35,685	(\$5,472)	\$391,454	\$22,848	(\$5,472)	\$378,617
General Fund	281,138	35,849	(5,472)	311,515	22,779	(5,472)	298,445
State/Other Special	80,103	(164)	0	79,939	69	0	80,172
Total Funds	\$361,241	\$35,685	(\$5,472)	\$391,454	\$22,848	(\$5,472)	\$378,617

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$13,286	\$13,286
FY 2013	\$0	\$0

PL- 2001 - Judicial Standards Rest/Bien -

This proposal requests \$13,286 in general fund appropriation for the constitutionally mandated Judicial Standards Commission. The Judicial Branch received a \$25,000 restricted, biennial, general fund appropriation to be used to pay for the investigations of complaints against judges for each of the 2007, 2009 and 2011 biennia. Base funding for the commission is \$5,857. This request will restore the appropriation to \$25,000 for the 2013 biennium. If approved, this funding will only be used for the costs of the Judicial Standards Commission in performing its duties to investigate complaints against judges. If the costs are not incurred, the funds will revert to the general fund.

-----New Proposals-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	(\$5,472)	(\$5,472)
FY 2013	(\$5,472)	(\$5,472)

NP- 2002 - Continuation of 2% reduction - 2009 Session -

This decision package continues the 2% reduction from the 2009 session that was taken out of personal services. This reduction is in accordance with 17-7-102(10)(b), MCA.

JUDICIAL BRANCH-2110 LAW LIBRARY-03

Please note that this program also contains proprietary funding (see Section P).

03 Law Library
Judith Meadows 444-1979

Program Description - The State Law Library of Montana (MCA 22-1-501 et seq) provides access to legal information consistent with the present and anticipated needs, responsibilities, and concerns of Montana's courts, legislature, state officers and employees, members of the bar of the Supreme Court of Montana, and members of the general public. The library selects, acquires, and maintains resources consistent with this mission. More electronic licenses are acquired each year, which frequently replace the hard copies. This allows the library to get the information more quickly to the customer and to conserve its available shelf space for books and other printed material. The library's space, equipment, and technology are maintained in a manner that will ensure operational efficiency, improve collection preservation, and respond to requirements for accessibility of users and staff.

Library staff provide extensive training in legal research methods and access to the Montana court system. The library's web site (www.lawlibrary.mt.gov) has been designed to help Montana's citizens find the statutes, court cases and rules, legal forms, and explanation of the laws they need. 75% of the people the Law Library assists are non-lawyers who cannot afford attorneys. The Library also operates a Self-Help Center in partnership with Carroll College students.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2010	PL Base Adjustment Fiscal 2012	New Proposals Fiscal 2012	Total Exec. Budget Fiscal 2012	PL Base Adjustment Fiscal 2013	New Proposals Fiscal 2013	Total Exec. Budget Fiscal 2013
FTE	6.75	0.00	0.00	6.75	0.00	0.00	6.75
Personal Services	395,695	9,670	0	405,365	9,592	0	405,287
Operating Expenses	372,701	25	0	372,726	32	0	372,733
Equipment & Intangible Assets	108,479	0	0	108,479	0	0	108,479
Debt Service	7,901	0	0	7,901	0	0	7,901
Total Costs	\$884,776	\$9,695	\$0	\$894,471	\$9,624	\$0	\$894,400
General Fund	884,776	9,695	0	894,471	9,624	0	894,400
Total Funds	\$884,776	\$9,695	\$0	\$894,471	\$9,624	\$0	\$894,400

JUDICIAL BRANCH-2110 DISTRICT COURT OPERATIONS-04

04 District Court Operations
Lois Menzies 841-2957

Program Description - The District Courts have original jurisdiction in all felony criminal cases, most civil matters and other cases in law, and in equity. These courts may issue all writs appropriate to their jurisdiction and hear appeals from Courts of Limited Jurisdiction pursuant to statutory parameters. The District Courts are also the state's Youth Courts, responsible for managing juvenile probation functions. There are 46 District Court judges in 22 judicial districts serving all 56 counties. The 2001 Legislature mandated state funding of District Court expenses, including salaries and operating expenses for judges and their employees. District Court costs are the largest segment of the Judicial Branch budget.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2010	PL Base Adjustment Fiscal 2012	New Proposals Fiscal 2012	Total Exec. Budget Fiscal 2012	PL Base Adjustment Fiscal 2013	New Proposals Fiscal 2013	Total Exec. Budget Fiscal 2013
FTE	311.08	5.00	0.00	316.08	5.00	0.00	316.08
Personal Services	20,614,284	2,387,627	0	23,001,911	2,475,016	0	23,089,300
Operating Expenses	2,880,010	145,453	0	3,025,463	146,488	0	3,026,498
Equipment & Intangible Assets	25,399	0	0	25,399	0	0	25,399
Debt Service	3,750	0	0	3,750	0	0	3,750
Total Costs	\$23,523,443	\$2,533,080	\$0	\$26,056,523	\$2,621,504	\$0	\$26,144,947
General Fund	23,363,992	2,458,975	0	25,822,967	2,547,212	0	25,911,204
State/Other Special	159,451	74,105	0	233,556	74,292	0	233,743
Total Funds	\$23,523,443	\$2,533,080	\$0	\$26,056,523	\$2,621,504	\$0	\$26,144,947

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$497,081	\$497,081
FY 2013	\$494,730	\$494,730

PL- 4001 - New Judges and Staff Base Adjustment -

This proposal provides \$991,811 in general fund and 5.00 FTE for new judges and support staff approved by the 2009 legislature through passage of SB 158. This bill added a District Court Judge in each the 1st, 11th and 13th Judicial Districts to address judicial caseload growth. These Judges will be elected in November 2010 and take office in January 2011. The Judicial Branch received 5.00 FTE (10.0 FTE for 6 months of the year) and associated personal services and operating costs in FY 2011. This request is necessary because the Judicial Branch base budget (FY 2010) does not include any costs related to the additional Judges and staff.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$73,926	\$0
FY 2013	\$73,926	\$0

PL- 4004 - State Special for Accrued Leave Payouts -

This proposal requests \$147,852 state special revenue fund spending authority for the biennium to fund projected retirement payouts for employees who became state employees at the time of district court assumption. When a Judicial Branch employee (who was a county employee at the time of district court assumption) retires, the Judicial Branch pays his or her accrued sick and annual leave from this state special revenue fund. The amount requested brings the spending authority for FY 2012 and FY 2013 to the FY 2010 budgeted amount.

JUDICIAL BRANCH-2110 WATER COURTS SUPERVISION-05

05 Water Courts Supervision
Judge Bruce Loble 586-4364

Program Description - The Water Courts Supervision Program, located in Bozeman, adjudicates claims of existing water rights in Montana pursuant to Title 3, Chapter 7 and Title 85, Chapter 2, MCA.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2010	PL Base Adjustment Fiscal 2012	New Proposals Fiscal 2012	Total Exec. Budget Fiscal 2012	PL Base Adjustment Fiscal 2013	New Proposals Fiscal 2013	Total Exec. Budget Fiscal 2013
FTE	18.00	1.50	0.00	19.50	4.16	0.00	22.16
Personal Services	1,300,692	196,771	0	1,497,463	385,274	0	1,685,966
Operating Expenses	222,603	19,051	0	241,654	23,276	0	245,879
Equipment & Intangible Assets	8,287	0	0	8,287	0	0	8,287
Total Costs	\$1,531,582	\$215,822	\$0	\$1,747,404	\$408,550	\$0	\$1,940,132
State/Other Special	1,531,582	215,822	0	1,747,404	408,550	0	1,940,132
Total Funds	\$1,531,582	\$215,822	\$0	\$1,747,404	\$408,550	\$0	\$1,940,132

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$5,782	\$0
FY 2013	\$8,802	\$0

PL- 5001 - Water Court Rent Increase -

The Water Court requests an increase of \$5,782 in FY 2012 and \$8,802 in FY 2013 of state special revenue authority to cover a 3% annual increase in rent payments. The 3% increase is required every May per the lease agreement.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$116,965	\$0
FY 2013	\$306,980	\$0

PL- 5002 - Water Court Additional FTE -

The Water Court is requesting \$116,965 state special spending authority in FY 2012 and \$306,980 state special spending authority in FY 2013 to help facilitate the state's accelerated water rights adjudication effort as direct by HB 22 passed by the 2005 Legislature. This request includes 1.50 FTE in FY 2012 and 4.16 FTE in FY 2013 and the corresponding operating costs. There is a reduction of 2.00 FTE each fiscal year in the DNRC that corresponds to this request.

JUDICIAL BRANCH-2110 CLERK OF COURT-06

06 Clerk of Court
Ed Smith 444-3858

Program Description - The Office of Clerk of the Supreme Court Program, pursuant to Title 3, Chapter 2, part 4, conducts the business of the court, and serves as the liaison between the public, attorneys and the Supreme Court. By statutory authority, the clerk controls the docket and filings, manages the appellate process, and is the custodian of all legal records for the public and the court. Additionally, the clerk administers appellate mediation, maintains the official roll of Montana attorneys, and is responsible for licensing Montana's attorneys.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2010	PL Base Adjustment Fiscal 2012	New Proposals Fiscal 2012	Total Exec. Budget Fiscal 2012	PL Base Adjustment Fiscal 2013	New Proposals Fiscal 2013	Total Exec. Budget Fiscal 2013
ITE	5.50	0.00	0.00	5.50	0.00	0.00	5.50
Personal Services	394,105	43,488	0	437,593	42,547	0	436,652
Operating Expenses	54,288	390	(9,438)	45,240	392	(9,438)	45,242
Total Costs	\$448,393	\$43,878	(\$9,438)	\$482,833	\$42,939	(\$9,438)	\$481,894
General Fund	448,393	43,878	(9,438)	482,833	42,939	(9,438)	481,894
Total Funds	\$448,393	\$43,878	(\$9,438)	\$482,833	\$42,939	(\$9,438)	\$481,894

-----New Proposals-----

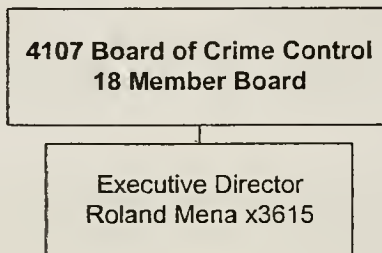
	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	(\$9,438)	(\$9,438)
FY 2013	(\$9,438)	(\$9,438)

IP- 601 - Continuation of 2% reduction - 2009 Session -

This decision package continues the 2% reduction from the 2009 session that was taken out of personal services. This reduction is in accordance with 17-7-102(10)(b), MCA.

CRIME CONTROL DIVISION - 4107

JUSTICE SYSTEM SUPPORT SERVICES - 01



Mission Statement - To pro-actively contribute to public safety, crime prevention, and victim assistance with planning, policy development, and coordination of the justice systems in partnership with citizens, government, and communities.

Statutory Authority - 2-15-2006 and 44-4-301, MCA, create and define the board; 41-5-1901, MCA, youth detention services grants; Title 53, Chapter 9, part 1, MCA, Victims Compensation Act; 42 USC 4760 Anti-Drug Abuse Act; 42 USC 10603 Victims of Crime Act; 42 USC 3796 Stop Violence Against Women Act; 42 USC 3701 National Criminal History Improvement Program; 42 USC 5601 Juvenile Justice and Delinquency Prevention Act; and USC 13701 Violent Crime Control and Law Enforcement Act.

Program Description - The Montana Board of Crime Control (MBCC) is the state's designated agency for criminal and juvenile justice, victim assistance, resource development, and public safety policy, planning, and program development. The MBCC is administratively attached to the Department of Justice, with an 18-member quasi-judicial board appointed by the Governor. The MBCC provides financial support, technical assistance, and supportive services to state and local criminal justice agencies. The board provides funding to local, regional, and statewide projects with the central goal of making Montana a safer state.

MBCC is the state administering agency for the US Department of Justice programs and the Omnibus Crime Control and Safe Streets Act. The MBCC administers federal anti-drug and anti-crime grants, provides funding for juvenile justice programs, and provides assistance to victims of crime. It also collects and analyzes crime data from Montana law enforcement agencies and publishes the annual Crime in Montana Report. The division is established in 2-15-2006, MCA.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2010	PL Base Adjustment Fiscal 2012	New Proposals Fiscal 2012	Total Exec. Budget Fiscal 2012	PL Base Adjustment Fiscal 2013	New Proposals Fiscal 2013	Total Exec. Budget Fiscal 2013
FTE	19.50	0.50	0.00	20.00	0.50	0.00	20.00
Personal Services	1,209,250	92,208	0	1,301,458	92,685	0	1,301,935
Operating Expenses	711,072	120,804	0	831,876	96,184	0	807,256
Equipment & Intangible Assets	13,042	0	0	13,042	0	0	13,042
Grants	3,548,184	2,400,808	0	5,948,992	2,356,485	0	5,904,669
Transfers	531,723	672,916	0	1,204,639	672,916	0	1,204,639
Total Costs	\$6,013,271	\$3,286,736	\$0	\$9,300,007	\$3,218,270	\$0	\$9,231,541
General Fund	2,351,300	105,450	0	2,456,750	33,334	0	2,384,634
State/Other Special	37,595	115,141	0	152,736	115,141	0	152,736
Federal Special	3,624,376	3,066,145	0	6,690,521	3,069,795	0	6,694,171
Total Funds	\$6,013,271	\$3,286,736	\$0	\$9,300,007	\$3,218,270	\$0	\$9,231,541

CRIME CONTROL DIVISION - 4107
JUSTICE SYSTEM SUPPORT SERVICES - 01

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$20,251	\$0
FY 2013	\$20,219	\$0

PL- 101 - Administrative Support 0.50 FTE -

This request is for a 0.50 FTE and associated federal funding for an administrative support position that has been a modified 0.50 FTE for the past two biennia. This is an administrative assistant support staff and the workload keeps this position extremely busy. During the 2009 legislative session 1.50 FTE were transferred with the Peace Officer Standards and Training Program to the Department of Justice. This occurred at the same time that additional grants and program services were added to MBCC to administer. The position is currently staffed with a 0.50 permanent FTE and a 0.50 modified FTE and the Board of Crime Control would like to combine it in to 1.00 FTE. The division receives federal administrative funds that are used to support this request.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$36,975	\$15,600
FY 2013	\$36,975	\$15,600

PL- 102 - Database Software Maintenance Contracts -

The executive request of \$36,975 per year is to fund a database maintenance contract. MBCC is required to collect and submit statistics to its federal grantors in order to receive grant funds. Additionally the data is used by Montana policy and decision makers extensively. There are several custom databases that have been purchased from vendors that are utilized to fulfill this requirement. In order to maintain the database software packages and keep them functioning properly and from going obsolete it is customary to enter into a maintenance agreement with the vendor. For an annual fee, the vendor agrees to fix programming problems that are incurred during the normal system operations, make agreed changes, and keep the system updated with current technology. These maintenance agreements are beneficial and the most cost effective means for maintaining database information systems.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$2,903,824	\$0
FY 2013	\$2,903,824	\$0

PL- 103 - Adjust Pass Through Grant Authority / Admin -

This executive request is to adjust the spending authority for pass through grants in the base to more accurately reflect the amounts estimated that will be received and awarded. There are grants that have discontinued and grants that have increased. The stimulus funds and other one-time-only authority impacted the base year expenditures. There were also some accounting changes during the base year as a result of GASB 34. MBCC now records the expense of its sub awards at the time of disbursement rather than the time of award. Sub awards to state agencies are now recorded as grant transfers rather than grants. This is a biennial request of \$5,807,648 of state and federal special spending authority.

CRIME CONTROL DIVISION - 4107

JUSTICE SYSTEM SUPPORT SERVICES - 01

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$160,000	\$0
FY 2013	\$160,000	\$0

PL- 104 - Sexual Assault Services Formula Grant -

The Montana Board of Crime Control (MBCC) administers the Sexual Assault Services Grant Program (SASP). The grant is funded through the Office on Violence against Women (OVW) under the Violence against Women Act (VAWA) and first became available to Montana in September of 2009. The purpose of the program is to promote sexual assault services through advocacy, referral, outreach, crisis lines, and accompaniment. MBCC awards sub-grants to nonprofit victim service programs to assist them with providing these services. The first grant MBCC received was for \$220,446 and the agency anticipates an annual grant of around \$160,000. MBCC is eligible to use five percent of the grant to help cover the administrative costs of the program.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$80,000	\$0
FY 2013	\$80,000	\$0

PL- 105 - Project Safe Neighborhood Grant -

Project Safe Neighborhoods (PSN) is a federal initiative through the US Department of Justice, Bureau of Justice Assistance. The grant is made available to the US Attorney and the US Attorney has requested The Board of Crime Control to be the fiscal agent and administer the grant. The grant allows up to 10% for administrative costs. Approximately \$80,000 is available to Montana each year to pursue the PSN Initiative.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	(\$93,315)	(\$75,860)
FY 2013	(\$93,315)	(\$75,860)

PL- 106 - Office Relocation -

This executive request is for a reduction of \$93,315 per year for non state building rent costs that will no longer be needed due to the move from the North Gate Plaza to the old State Fund building. General Services procured the space and negotiated the lease agreement. The reduction is \$75,860 per year general fund with the balance being a mix of state special and federal special authority. The funding for the new building rent is included in the agency fixed costs.

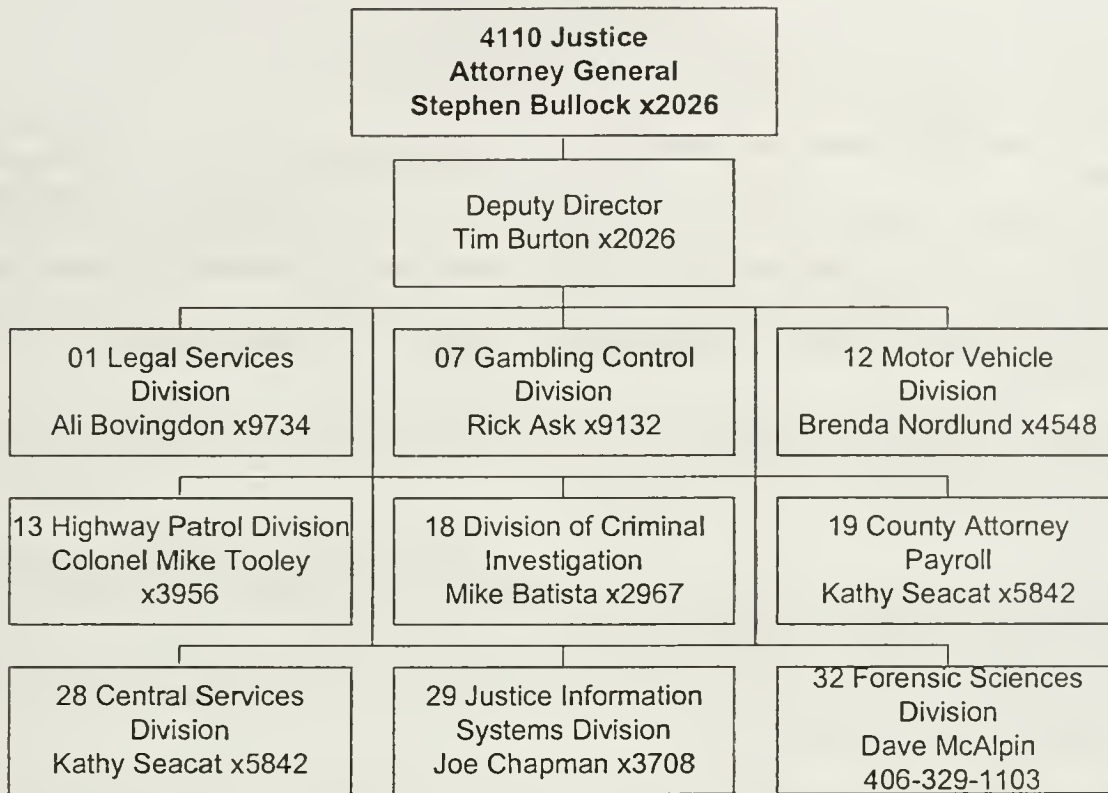
	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$0	\$0
FY 2013	(\$70,020)	(\$70,020)

PL- 55140 - Other Reductions made for MCA 17-7-140 -

This budget request makes permanent the 17-7-140, MCA, reductions for the 2013 biennium. The reductions are: Juvenile Detention Centers (\$44,323) - Juvenile Detention grant funding is mandated by law and the appropriation level is approved by the legislature; operating and travel (\$25,697) - the reductions in the general fund administration will come from reduced travel and operating expenditures.

DEPARTMENT OF JUSTICE-4110

Please note that this agency also contains proprietary funding (see Section P).



Mission Statement - The mission of the Department of Justice is to pursue activities and programs that seek to ensure and promote the public interest, safety, and well-being through leadership, advocacy, education, regulation, and enforcement.

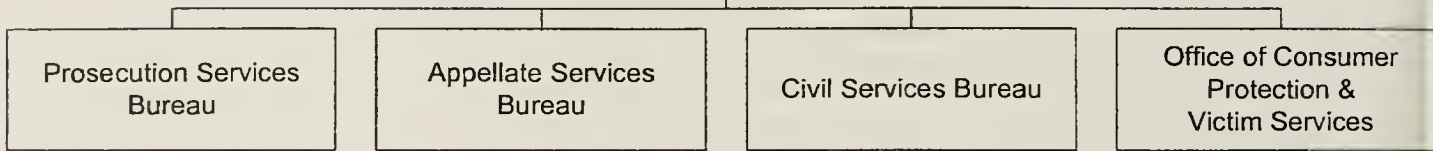
Statutory Authority - Statutory authority is provided in 2-15-501, 2-15-2001 through 2021, and Titles 44 & 61, MCA.

Agency Proposed Budget							
Budget Item	Base Budget Fiscal 2010	PL Base Adjustment Fiscal 2012	New Proposals Fiscal 2012	Total Exec. Budget Fiscal 2012	PL Base Adjustment Fiscal 2013	New Proposals Fiscal 2013	Total Exec. Budget Fiscal 2013
TE	752.05	11.75	(10.91)	752.89	11.75	(10.95)	752.85
Personal Services	45,224,471	5,129,891	(710,581)	49,643,781	5,172,256	(713,099)	49,683,628
Operating Expenses	20,867,277	7,771,647	0	28,638,924	7,122,365	0	27,989,642
Equipment & Intangible Assets	1,995,547	270,000	0	2,265,547	270,000	0	2,265,547
Benefits & Claims	1,011,704	250,000	0	1,261,704	250,000	0	1,261,704
Debt Service	674,549	1,850,000	0	2,524,549	1,850,000	0	2,524,549
Total Costs	\$69,773,548	\$15,271,538	(\$710,581)	\$84,334,505	\$14,664,621	(\$713,099)	\$83,725,070
General Fund	24,957,152	3,145,369	(710,581)	27,391,940	3,147,060	(713,099)	27,391,113
State/Other Special	41,651,649	9,335,079	0	50,986,728	9,078,088	0	50,729,737
Federal Special	1,405,530	86,538	0	1,492,068	87,965	0	1,493,495
Capital Projects	0	2,250,000	0	2,250,000	2,250,000	0	2,250,000
Proprietary	1,759,217	454,552	0	2,213,769	101,508	0	1,860,725
Total Funds	\$69,773,548	\$15,271,538	(\$710,581)	\$84,334,505	\$14,664,621	(\$713,099)	\$83,725,070

DEPARTMENT OF JUSTICE-4110

LEGAL SERVICES DIVISION-01

01 Legal Services Division
Ali Bovingdon x9434



Program Description - The Legal Services Division (LSD) provides: legal research and analysis for the Attorney General; legal counsel for state government officials, bureaus, and boards; legal assistance to local governments and Indian tribes; legal assistance, training, and support for county prosecutors; and assistance to victims of crime, including compensation payments.

The Prosecution Services Bureau assists local county attorneys by providing training and by assisting in the prosecution of complex criminal cases, particularly homicide cases. It also prosecutes cases where the county attorney has a conflict of interest; prosecutes drug cases and workers' compensation and Medicaid fraud cases; and investigates complaints against county attorneys.

The Appellate Services Bureau handles appeals of criminal matters, including death penalty cases, and represents the state in federal court when constitutional challenges are made to a criminal conviction.

The Civil Services Bureau defends the state in constitutional challenges and coordinates appeals of civil cases that involve the state. This bureau also provides legal assistance to state and local governments on matters involving Indian jurisdiction and federal reserved water rights.

The Child Protection Unit handles child abuse and neglect cases around Montana. The unit has offices in Bozeman, Billings, Great Falls, and Miles City and focuses on resolving the legal status of children who have been in foster care for more than 15 out of the most recent 22 months.

The Office of Victim Services (OVS) works to elevate the status of victims and their rights and responds to the needs of crime victims in Montana. It serves as a central reference point for victims of crime, administers the Crime Victim Compensation Program and the Forensic Rape Examination Payment Program, and offers information and referral services. OVS staffs the Domestic Violence Fatality Review Commission and provides training and information for those who work with victims, including law enforcement, victim advocates, probation and parole workers, and local community organizations.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2010	PL Base Adjustment Fiscal 2012	New Proposals Fiscal 2012	Total Exec. Budget Fiscal 2012	PL Base Adjustment Fiscal 2013	New Proposals Fiscal 2013	Total Exec. Budget Fiscal 2013
FTE	53.50	0.00	(1.50)	52.00	0.00	(1.50)	52.00
Personal Services	3,789,288	445,001	(148,762)	4,085,527	442,331	(148,612)	4,083,007
Operating Expenses	1,209,458	337,973	0	1,547,431	335,060	0	1,544,518
Benefits & Claims	934,654	0	0	934,654	0	0	934,654
Total Costs	\$5,933,400	\$782,974	(\$148,762)	\$6,567,612	\$777,391	(\$148,612)	\$6,562,179
General Fund	5,160,413	722,788	(148,762)	5,734,439	717,750	(148,612)	5,729,551
State/Other Special	190,815	19,038	0	209,853	18,772	0	209,587
Federal Special	582,172	41,148	0	623,320	40,869	0	623,041
Total Funds	\$5,933,400	\$782,974	(\$148,762)	\$6,567,612	\$777,391	(\$148,612)	\$6,562,179

DEPARTMENT OF JUSTICE-4110
LEGAL SERVICES DIVISION-01

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$300,000	\$300,000
FY 2013	\$300,000	\$300,000

PL- 55012 - Major Litigation (Biennial) -

The Department of Justice requests a \$600,000 biennial appropriation from the general fund for expenditures related to major litigation in the 2013 biennium.

-----New Proposals-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	(\$148,762)	(\$148,762)
FY 2013	(\$148,612)	(\$148,612)

NP- 55400 - 4% Personal Services Reduction LSD -

The Governor has included a 4% reduction in general fund personal services budgets as a part of his budget recommendations. This decision package reduces the Legal Services Division by \$297,374 general fund in the 2013 biennium to implement the budget reduction. The reduction includes the elimination of approximately 1.50 FTE.

**DEPARTMENT OF JUSTICE-4110
OFFICE OF CONSUMER PROTECTION-02**

02 Office of
Consumer Protection
Jim Molloy x2026

Program Description - The Office of Consumer Protection (OCP) responds to consumer complaints and enforce Montana's consumer protection laws and regulations relating to unfair and deceptive business practices including: "Ba and switch," false claims, changing a contract after a sale, abusive arbitration, debt collection misconduct, door-to-door sales, telemarketing, including administering Montana's do-not-call list, car and truck sales and repair, including the New Vehicle Warranty Act (or Lemon Law) violations, and antitrust issues, including price fixing, monopoly abuse, an restraint of trade.

OCP assists victims of identity theft and administers the state's Security Freeze Program. It provides extensive public education about consumer and telemarketing fraud and identity theft to Montana consumer groups, senior citizen organizations, law enforcement agencies and businesses.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2010	PL Base Adjustment Fiscal 2012	New Proposals Fiscal 2012	Total Exec. Budget Fiscal 2012	PL Base Adjustment Fiscal 2013	New Proposals Fiscal 2013	Total Exec. Budget Fiscal 2013
FTE	9.00	0.00	0.00	9.00	0.00	0.00	9.00
Personal Services	553,540	(2,114)	0	551,426	(2,687)	0	550,853
Operating Expenses	215,490	17,260	0	232,750	16,416	0	231,906
Benefits & Claims	77,050	250,000	0	327,050	250,000	0	327,050
Total Costs	\$846,080	\$265,146	\$0	\$1,111,226	\$263,729	\$0	\$1,109,809
State/Other Special	846,080	265,146	0	1,111,226	263,729	0	1,109,809
Total Funds	\$846,080	\$265,146	\$0	\$1,111,226	\$263,729	\$0	\$1,109,809

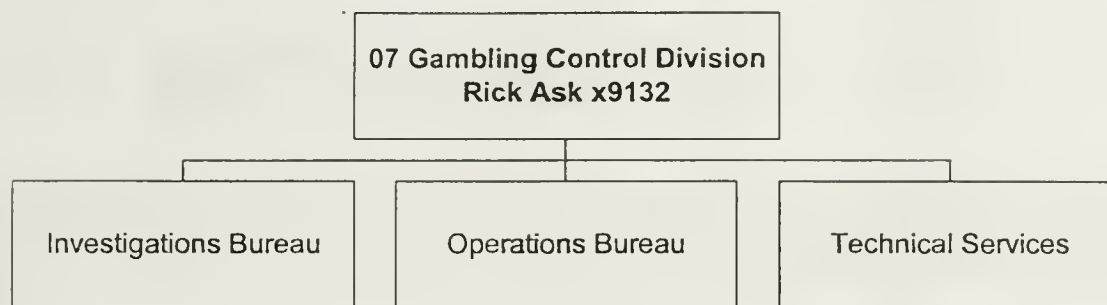
-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$250,000	\$0
FY 2013	\$250,000	\$0

PL- 201 - Consumer Protection Settlement Funds -

The Office of Consumer Protection is requesting \$500,000 in state special authority for the 2013 biennium for consumer settlement funds. Settlement funds are benefits distributed to consumers for negotiated agreements with offending companies. Benefits paid in FY 2010 were \$77,050. This request will provide budget authority at the level anticipated by the agency for the 2013 biennium.

**DEPARTMENT OF JUSTICE-4110
GAMBLING CONTROL DIVISION-07**



Program Description - The Gambling Control Division (GCD) was established by the 1989 Legislature to regulate the gambling industry in Montana. The division has criminal justice authority and conducts routine field inspections and investigations related to gambling activities. In addition to collecting and distributing licensing fees for gambling machines and activities, the division collects the gambling tax assessed on the net proceeds of gambling activities. It conducts investigations related to alcoholic beverage licensing and tobacco enforcement. An appointed Gaming Advisory Council of nine members advises the Attorney General to ensure uniform statewide regulation of gambling activities. The Gambling Control Program is mandated by state law.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2010	PL Base Adjustment Fiscal 2012	New Proposals Fiscal 2012	Total Exec. Budget Fiscal 2012	PL Base Adjustment Fiscal 2013	New Proposals Fiscal 2013	Total Exec. Budget Fiscal 2013
E	51.50	0.00	0.00	51.50	0.00	0.00	51.50
Personal Services	3,023,961	253,913	0	3,277,874	256,377	0	3,280,338
Operating Expenses	754,355	116,366	0	870,721	69,078	0	823,433
Equipment & Intangible Assets	79,900	0	0	79,900	0	0	79,900
Post Service	960	0	0	960	0	0	960
Total Costs	\$3,859,176	\$370,279	\$0	\$4,229,455	\$325,455	\$0	\$4,184,631
State/Other Special	2,795,632	281,477	0	3,077,109	235,148	0	3,030,780
Proprietary	1,063,544	88,802	0	1,152,346	90,307	0	1,153,851
Total Funds	\$3,859,176	\$370,279	\$0	\$4,229,455	\$325,455	\$0	\$4,184,631

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$50,000	\$0
FY 2013	\$0	\$0

- 701 - IT Web-Entry System Enhancements (OTO, Bien) -

The budget includes \$50,000 in state special revenue funding as a one-time-only 2013 biennial appropriation to enhance the web entry system. The system is being used for online reporting of 99% of video gambling machines. Because the new system was only rolled out in 2006, there are still issues that need to be addressed as users become more familiar with the system. The division will work with its customers to identify ways to improve the functionality and convenience of the system. The improvements may require changes to the database (GenTax) or web interface (MII).

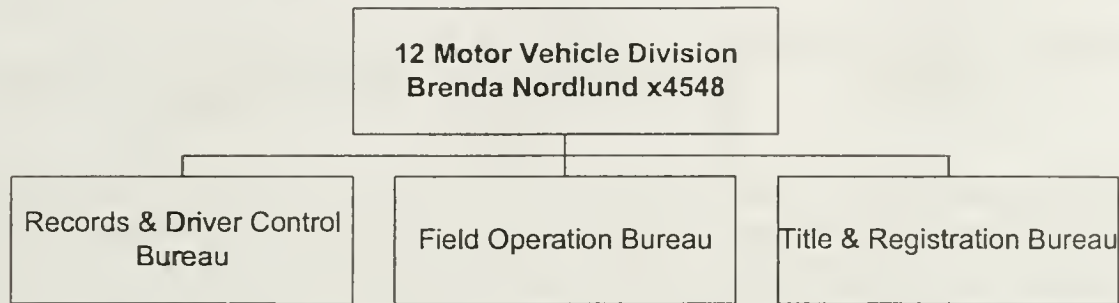
**DEPARTMENT OF JUSTICE-4110
GAMBLING CONTROL DIVISION-07**

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$22,095	\$0
FY 2013	\$25,286	\$0

PL- 702 - GCD Base Adjustments -

The Gambling Control Division (GCD) requests \$47,381 for the 2013 biennium in present law base adjustments for non DOA rent and overtime. Funding for the request is \$33,167 in state special revenue and \$14,214 in liquor proprietary funding to cover these additional expenses.

**DEPARTMENT OF JUSTICE-4110
MOTOR VEHICLE DIVISION-12**



Program Description - The Motor Vehicle Division (MVD), under provision of Title 61 and Title 23, MCA, and certain federal statutes is responsible for: 1) examination and licensure of all drivers; 2) verification of identification; 3) creation and maintenance of permanent driver and motor vehicle records; 4) titling and registration of all vehicles including boats, snowmobiles, and ATVs; 5) inspection and verification of vehicle identification numbers; 6) licensure and compliance control of motor vehicle dealers and manufacturers; and 7) providing motor voter registration.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2010	PL Base Adjustment Fiscal 2012	New Proposals Fiscal 2012	Total Exec. Budget Fiscal 2012	PL Base Adjustment Fiscal 2013	New Proposals Fiscal 2013	Total Exec. Budget Fiscal 2013
FE	155.00	0.75	(3.86)	151.89	0.75	(3.90)	151.85
Personal Services	6,144,044	474,964	(155,001)	6,464,007	477,709	(156,827)	6,464,926
Operating Expenses	7,197,410	5,478,986	0	12,676,396	5,130,051	0	12,327,461
Equipment & Intangible Assets	37,269	20,000	0	57,269	20,000	0	57,269
Contract Service	523,010	1,850,000	0	2,373,010	1,850,000	0	2,373,010
Total Costs	\$13,901,733	\$7,823,950	(\$155,001)	\$21,570,682	\$7,477,760	(\$156,827)	\$21,222,666
General Fund	7,066,503	706,121	(155,001)	7,617,623	709,154	(156,827)	7,618,830
State/Other Special	6,224,978	4,512,910	0	10,737,888	4,514,143	0	10,739,121
Capital Projects	0	2,250,000	0	2,250,000	2,250,000	0	2,250,000
Proprietary	610,252	354,919	0	965,171	4,463	0	614,715
Total Funds	\$13,901,733	\$7,823,950	(\$155,001)	\$21,570,682	\$7,477,760	(\$156,827)	\$21,222,666

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$2,250,000	\$0
FY 2013	\$2,250,000	\$0

L- 1201 - IT MERLIN -

The Motor Vehicle Division (MVD) is requesting \$4.5 million over the 2013 biennium in state special revenue authority to fund the completion of the Montana Enhanced Registration and Licensing Information System (MERLIN). The Archon Driver Solution (ADS) phase which automates the drivers stations across the state is estimated to be complete in FY 2013.

DEPARTMENT OF JUSTICE-4110
MOTOR VEHICLE DIVISION-12

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$350,000	\$
FY 2013	\$0	\$

PL- 1202 - IT Electronic Commerce -

The Motor Vehicle Division (MVD) is requesting a 2013 biennial appropriation of \$350,000 for costs associated with the development, operation and enhancement of electronic commerce applications related to motor vehicle titling, registration and records and driver licensing and records. The legislature previously approved state special fund expenditures, however, implementation was delayed in FY 2010. Therefore, the operating costs for those services, in addition to the development of new electronic commerce applications, are not reflected in the base budget.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$486,170	\$
FY 2013	\$486,170	\$

PL- 1203 - IT VIVS Online Motor Vehicle Liability Insurance -

The Motor Vehicle Division (MVD) requests a base increase of \$972,340 in the 2013 biennium of state special revenue spending authority to annualize expenditures associated with the implementation of the online Motor Vehicle Liability Insurance Verification System (VIVS). 61-6-157(3)(i), MCA, requires that VIVS be installed and operational no later than July 1, 2011. Until system and business requirements are established and a vendor is selected, the actual cost for the maintenance of VIVS is unknown. Using the assumptions from the fiscal note for SB 508 during the 2009 session, the estimated annual state special revenue costs will be \$539,734 (1,079,467 vehicles * \$0.50/vehicle/year = \$539,734). The projected annual maintenance cost increase would be reduced by applying FY 2010 operating expenditures of \$53,564 resulting in a total annual increase of \$486,170.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$1,672,140	\$
FY 2013	\$1,672,140	\$

PL- 1204 - IT Just in Time License Plate Production Contract -

This decision package includes an increase of state special revenue authority in the amount of \$3,344,280 for the 2013 biennium to annualize operating expenditures associated with the implementation of the contract for license plate production.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$1,850,000	\$
FY 2013	\$1,850,000	\$

PL- 1205 - MVD Debt Payments Due to BOI - BIEN -

This decision package requests \$3.7 million, state special revenue as a biennial appropriation for the 2013 biennium to fund debt payments associated with the new motor vehicle systems MVS1, MVS2, and enhancements for the MERLIN systems.

**DEPARTMENT OF JUSTICE-4110
MOTOR VEHICLE DIVISION-12**

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$412,276	\$247,365
FY 2013	\$436,631	\$261,979

- 1206 - MVD Base Adjustments -

The Motor Vehicle Division (MVD) requests base budget adjustments of \$848,907. The request is for \$247,365 general fund in FY 2012 and \$261,979 in 2013 and \$164,911 and \$174,652 of state special revenue respectively.

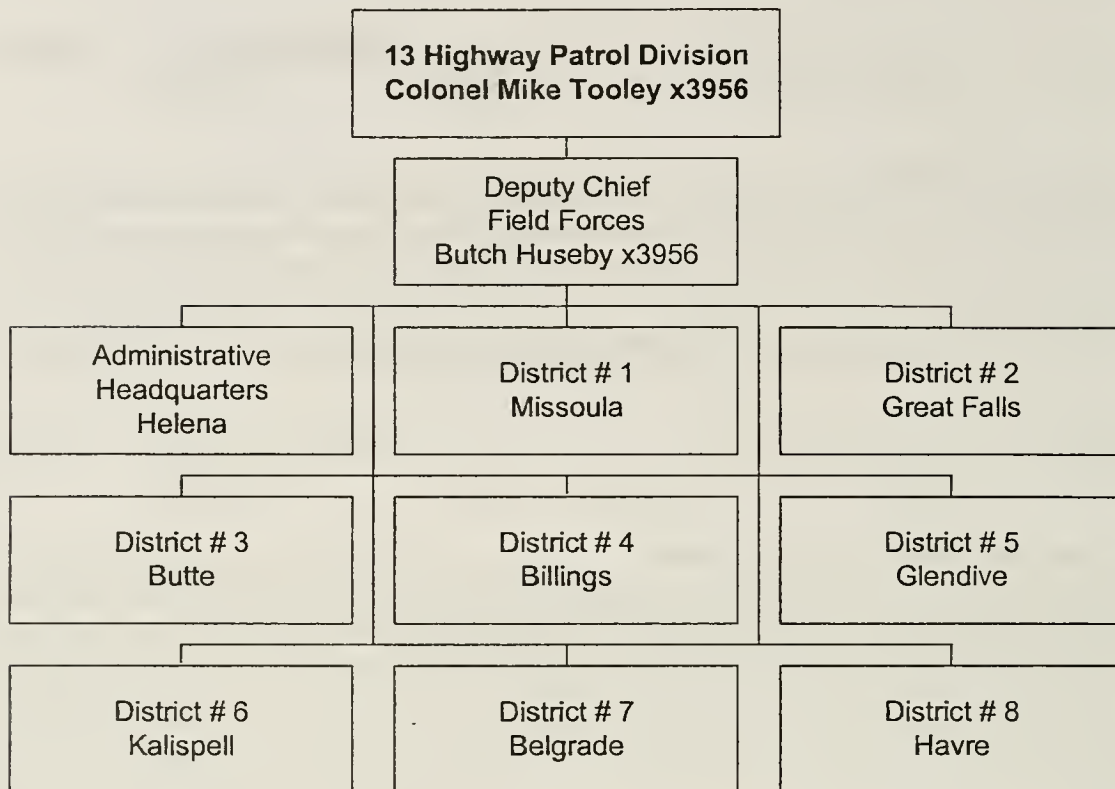
-----**New Proposals**-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	(\$155,001)	(\$155,001)
FY 2013	(\$156,827)	(\$156,827)

P- 55400 - 4% Personal Services Reduction MVD -

The Governor has included a 4% reduction in general fund personal services budgets as a part of his budget recommendations. This decision package reduces the Motor Vehicle Division by \$311,828 general fund in the 2013 biennium. The reduction includes the elimination of approximately 3.86 FTE.

**DEPARTMENT OF JUSTICE-4110
HIGHWAY PATROL DIVISION-13**



Program Description - The Montana Highway Patrol (MHP) is responsible for patrolling the highways of Montana enforcing traffic laws, and investigating traffic crashes. The patrol gives assistance and information to motorists and first aid to those injured in traffic crashes, transports blood and medical supplies in emergency situations, and assists other law enforcement agencies when requested. The patrol provides 24-hour-a-day, seven-day-a-week communication and radio dispatch for the Highway Patrol and other state agencies.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2010	PL Base Adjustment Fiscal 2012	New Proposals Fiscal 2012	Total Exec. Budget Fiscal 2012	PL Base Adjustment Fiscal 2013	New Proposals Fiscal 2013	Total Exec. Budget Fiscal 2013
FTE	289.00	10.00	(0.25)	298.75	10.00	(0.25)	298.75
Personal Services	20,329,636	2,620,096	(12,425)	22,937,307	2,655,959	(12,434)	22,973,161
Operating Expenses	5,923,460	1,041,356	0	6,964,816	837,398	0	6,760,858
Equipment & Intangible Assets	1,608,530	0	0	1,608,530	0	0	1,608,530
Total Costs	\$27,861,626	\$3,661,452	(\$12,425)	\$31,510,653	\$3,493,357	(\$12,434)	\$31,342,549
General Fund	194,236	431,671	(12,425)	613,482	433,451	(12,434)	615,253
State/Other Special	27,667,390	3,229,781	0	30,897,171	3,059,906	0	30,727,296
Total Funds	\$27,861,626	\$3,661,452	(\$12,425)	\$31,510,653	\$3,493,357	(\$12,434)	\$31,342,549

DEPARTMENT OF JUSTICE-4110 HIGHWAY PATROL DIVISION-13

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$685,867	\$0
FY 2013	\$684,415	\$0

- 1301 - Troopers on the Road -

The Montana Highway Patrol Division (MHP) is requesting 9.00 FTE and \$1,370,282 state special revenue for the 2013 biennium for personal services and operating costs. The 2005 Legislature passed HB35, which established and provided funding for a new recruitment and retention plan for uniformed Highway Patrol personnel. The MHP is seeking the FTE to get more troopers on the highways.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$103,830	\$103,830
FY 2013	\$103,632	\$103,632

- 1302 - Executive Protection -

The Montana Highway Patrol requests an additional 1.00 FTE and \$270,462 general fund for the 2013 biennium for the Executive Protection program. This request will allow a modified position to become permanent, funding for anticipated overtime as that is a zero-based expenditure, and for increased operating costs.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$567,000	\$0
FY 2013	\$317,000	\$0

- 1303 - IT Smart COP -

The Montana Highway Patrol Division (MHP) requests state special revenue authority of \$567,000 in FY 2012 and \$317,000 in FY 2013 for a total request of \$884,000 over the 2013 biennium for information technology enhancements and equipment replacement for the Smart COP Computer Aided Dispatch/Records Management System. Smart COP provides an integrated information system for the MHP dispatch and patrol.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$779,572	\$52,808
FY 2013	\$802,844	\$54,277

- 1304 - MHP Base Adjustments -

The Montana Highway Patrol (MHP) Division is requesting \$52,808 for FY 2012 and \$54,277 for FY 2013 of general fund and \$726,764 for FY 2012 and \$748,567 for FY 2013 of state special revenue for base adjustments. The funding is necessary to allow the MHP to continue to meet its ongoing responsibilities. Operating costs include overtime for troopers, civilian, communications operators, contractual rent increases and increased travel expenses.

DEPARTMENT OF JUSTICE-4110
HIGHWAY PATROL DIVISION-13

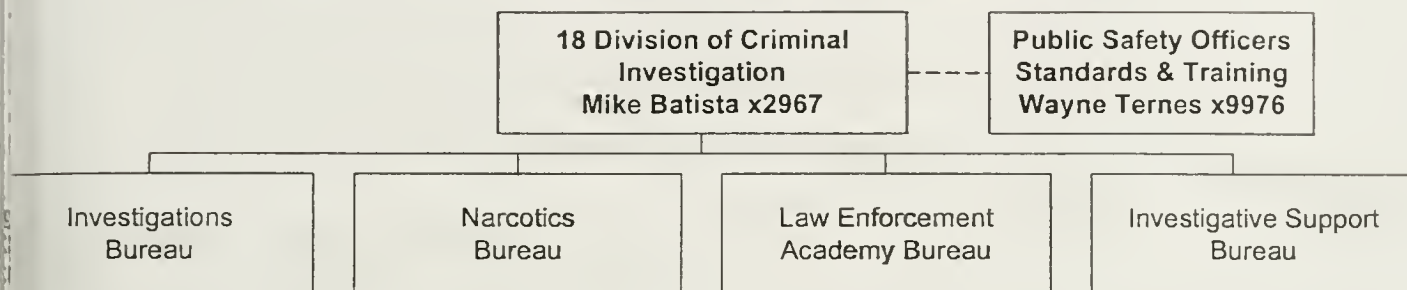
-----New Proposals-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	(\$12,425)	(\$12,425)
FY 2013	(\$12,434)	(\$12,434)

NP- 55400 - 4% personal services reduction MHP -

The Governor has included a 4% reduction in general fund personal services budgets as a part of his budget recommendations. This decision package reduces the Montana Highway Patrol Division by \$12,425 in FY 2012 and \$12,434 in FY 2013 to implement the budget reduction. The reduction includes the elimination of approximately 0.2 FTE.

DEPARTMENT OF JUSTICE-4110
DIVISION OF CRIMINAL INVESTIGATION-18



Program Description - The Division of Criminal Investigation (DCI) includes the administration, management, and coordination of criminal investigative services and training performed by the Investigations Bureau, the Narcotics Bureau, the Investigative Support Bureau, and the Law Enforcement Academy Bureau.

The Investigations Bureau consists of four sections. The Fire Prevention and Investigation Section is responsible for safeguarding life and property from fire, explosion, and arson through investigation, inspection, and fire code interpretation and enforcement functions. The Special Investigations Unit investigates crimes involving the use of computers; maintains the Sexual and Violent Offender Registry; and provides advanced training opportunities for law enforcement officials statewide. The Major Case Section provides criminal investigative assistance to city, county, state and federal law enforcement agencies. The Medicaid Fraud Control Section is responsible for investigating any crime that occurs in a health care facility, including theft, drug diversion, sexual assault, and homicide. The section also investigates elder exploitation, elder abuse, and fraud by providers within the Medicaid system.

The Narcotics Bureau investigates dangerous drug violations and provides investigative assistance to city, county, state and federal law enforcement agencies as requested. The bureau also investigates organized criminal activity.

The Investigative Support Bureau is responsible for establishing a statewide intelligence center; performing criminal records checks, operate the Criminal Justice Information Network, and addressing homeland security issues.

The Law Enforcement Academy Bureau provides criminal justice officers and other qualified individuals with basic and specialized training in the field of law enforcement.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2010	PL Base Adjustment Fiscal 2012	New Proposals Fiscal 2012	Total Exec. Budget Fiscal 2012	PL Base Adjustment Fiscal 2013	New Proposals Fiscal 2013	Total Exec. Budget Fiscal 2013
	100.00	1.00	(2.25)	98.75	1.00	(2.25)	98.75
Personal Services	5,516,849	675,320	(161,956)	6,030,213	681,886	(162,899)	6,035,836
Operating Expenses	3,246,841	661,944	0	3,908,785	671,141	0	3,917,982
Equipment & Intangible Assets	170,162	100,000	0	270,162	100,000	0	270,162
Total Costs	\$8,933,852	\$1,437,264	(\$161,956)	\$10,209,160	\$1,453,027	(\$162,899)	\$10,223,980
General Fund	5,339,655	491,166	(161,956)	5,668,865	506,003	(162,899)	5,682,759
State/Other Special	2,773,107	900,945	0	3,674,052	900,162	0	3,673,269
Federal Special	821,090	45,153	0	866,243	46,862	0	867,952
Total Funds	\$8,933,852	\$1,437,264	(\$161,956)	\$10,209,160	\$1,453,027	(\$162,899)	\$10,223,980

**DEPARTMENT OF JUSTICE-4110
DIVISION OF CRIMINAL INVESTIGATION-18**

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$51,697	\$51,697
FY 2013	\$61,898	\$61,898

PL- 1803 - DCI Base Adjustments -

Division of Criminal Investigation (DCI) is requesting \$113,595 in general fund for the 2013 biennium for base adjustments. This request includes \$30,000 in each fiscal year for overtime expense for criminal investigators. This request also includes contractual rent increases in the amount of \$21,697 in FY 2012 and \$31,898 in FY 2013 for all DCI offices throughout the state.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$575,000	\$575,000
FY 2013	\$575,000	\$575,000

PL- 1804 - IT Criminal Justice Info Network (CJIN) BIEN/OTO -

The budget includes a request for a \$1,150,000, biennial, one-time only, state special revenue appropriation for the 2013 biennium to cover the costs of the Criminal Justice Information Network (CJIN) upgrade. The CJIN upgrade is completed every four years to keep technology up to date. The upgrade was not completed in FY 2010, therefore the appropriation is not included in the base year budget for the CJIN Section.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	(\$9,120)	(\$9,120)
FY 2013	(\$9,120)	(\$9,120)

PL- 1805 - MLEA Motor Pool Leased Vehicle Return -

The Montana Law Enforcement Academy is returning one leased vehicle to the state motor pool which reduces the base state special revenue budget by \$9,120 each year of the biennium.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$121,636	\$121,636
FY 2013	\$118,105	\$118,105

PL- 1806 - Criminal Records Identification Section - FTE -

The Division of Criminal Investigation (DCI) requests 1.00 FTE and \$239,741 for the 2013 biennium in state special revenue. DCI is requesting the additional spending authority pursuant to 44-5-307, MCA, which allows for staffing and operational cost increases based on criminal history record information requests completed. Also requested is additional pass through spending authority to transfer monies owed to the Federal Bureau of Investigations (FBI) when fingerprint background checks are conducted by the FBI on behalf of the Department of Justice, Criminal Justice Information Services Bureau. These costs are recovered as services are provided.

**DEPARTMENT OF JUSTICE-4110
DIVISION OF CRIMINAL INVESTIGATION-18**

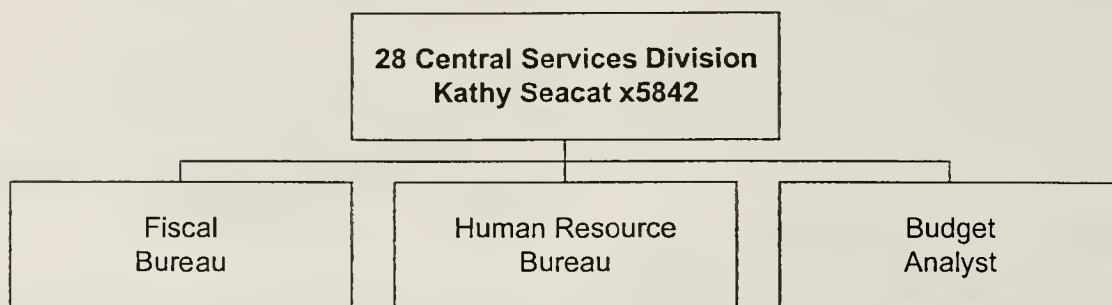
-----New Proposals-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	(\$161,956)	(\$161,956)
FY 2013	(\$162,899)	(\$162,899)

- 55400 - 4% Personal Services Reduction DCI -

The Governor has included a 4% reduction in general fund personal services budgets as a part of his budget recommendations. This decision package reduces the Division of Criminal Investigation by \$161,956 in FY 2012 and \$162,899 in FY 2013 to implement the budget reduction. The reduction includes the elimination of approximately 2.25 FTE.

**DEPARTMENT OF JUSTICE-4110
CENTRAL SERVICES DIVISION-28**



Program Description - The Central Services Division (CSD) provides accounting, asset management, budgeting, fiscal management, human resources, internal controls, payroll and benefits, purchasing, training, and assistance with the implementation of policies rules and regulations for the Department of Justice. The program also administers the Court Attorney Payroll.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2010	PL Base Adjustment Fiscal 2012	New Proposals Fiscal 2012	Total Exec. Budget Fiscal 2012	PL Base Adjustment Fiscal 2013	New Proposals Fiscal 2013	Total Exec. Budget Fiscal 2013
FTE	19.00	0.00	(0.30)	18.70	0.00	(0.30)	18.70
Personal Services	1,034,470	131,704	(19,173)	1,147,001	131,053	(19,165)	1,146,358
Operating Expenses	255,049	36,662	0	291,711	(35,724)	0	219,325
Total Costs	\$1,289,519	\$168,366	(\$19,173)	\$1,438,712	\$95,329	(\$19,165)	\$1,365,683
General Fund	492,526	64,300	(19,173)	537,653	36,406	(19,165)	509,767
State/Other Special	724,976	94,655	0	819,631	53,592	0	778,568
Proprietary	72,017	9,411	0	81,428	5,331	0	77,348
Total Funds	\$1,289,519	\$168,366	(\$19,173)	\$1,438,712	\$95,329	(\$19,165)	\$1,365,683

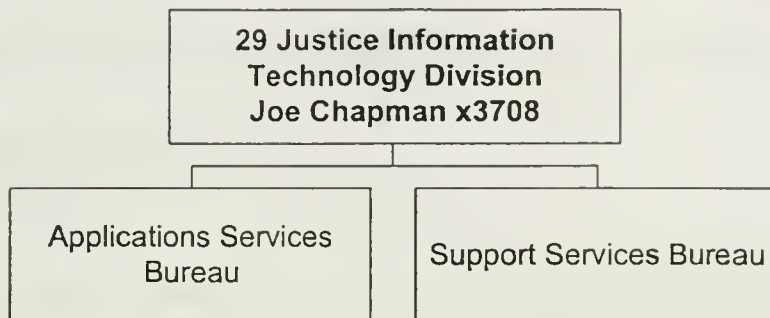
-----New Proposals-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	(\$19,173)	(\$19,173)
FY 2013	(\$19,165)	(\$19,165)

NP- 55400 - 4% Personal Services Reduction CSD -

The Governor has included a 4% reduction in general fund personal services budgets as a part of his budget recommendations. This decision package reduces the Centralized Services Division by \$19,173 in FY 2012 and \$19,165 in FY 2013 to implement the budget reduction. The reduction includes the elimination of approximately 0.3 FTE.

**DEPARTMENT OF JUSTICE-4110
INFORMATION TECHNOLOGY SERVICE-29**



Program Description - The Justice Information Technology Services Division (JITSD) provides a full range of information technology and criminal justice services for the department, including: system development and maintenance of all systems and platforms within the department, such as MERLIN, mainframe development and maintenance of the motor vehicle titling, registration, driver license and history system, criminal history record information system and the Montana Uniform Crime Reporting System, support for the department's internal computers and systems, support for the Criminal Justice Information Network (CJIN) which links law enforcement and criminal justice agencies with information sources at local, state, and national levels by interfacing with the National Law Enforcement Telecommunications System, the National Crime Information Center (NCIC), and numerous State of Montana files. Some of the newer systems supported are the MHP Integrated Public Safety System (CAD, RMS, Mobile in Car, e-Reports, crash reporting, End of Life, Hope Card, Concealed Weapons, and Amber Alert). One of the largest projects is support and maintenance of the IJIS broker. This system is key to interoperability between all justice information technology systems within the state, which includes federal, state, and local agencies being interfaced together to share information.

Program Proposed Budget	Base Budget Fiscal 2010	PL Base Adjustment Fiscal 2012	New Proposals Fiscal 2012	Total Exec. Budget Fiscal 2012	PL Base Adjustment Fiscal 2013	New Proposals Fiscal 2013	Total Exec. Budget Fiscal 2013
Budget Item							
Base	41.00	0.00	(1.50)	39.50	0.00	(1.50)	39.50
Personal Services	2,292,833	332,696	(103,738)	2,521,791	332,240	(103,671)	2,521,402
Operating Expenses	1,033,084	61,071	0	1,094,155	58,391	0	1,091,475
Equipment & Intangible Assets	90,135	0	0	90,135	0	0	90,135
Total Costs	\$3,416,052	\$393,767	(\$103,738)	\$3,706,081	\$390,631	(\$103,671)	\$3,703,012
General Fund	3,279,451	379,309	(103,738)	3,555,022	376,299	(103,671)	3,552,079
State/Other Special	120,929	12,801	0	133,730	12,691	0	133,620
General Special	2,268	237	0	2,505	234	0	2,502
Proprietary	13,404	1,420	0	14,824	1,407	0	14,811
Total Funds	\$3,416,052	\$393,767	(\$103,738)	\$3,706,081	\$390,631	(\$103,671)	\$3,703,012

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$32,000	\$32,000
FY 2013	\$32,000	\$32,000

2906 - ITSD Base Adjustments -

The Information Systems Division (JITSD) is requesting \$32,000 general fund each fiscal year of the biennium for overtime, on-call and call-out costs in the division.

**DEPARTMENT OF JUSTICE-4110
INFORMATION TECHNOLOGY SERVICE-29**

-----New Proposals-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	(\$103,738)	(\$103,738)
FY 2013	(\$103,671)	(\$103,671)

NP- 55400 - 4% Personal Services Reduction ITSD -

The Governor has included a 4% reduction in general fund personal services budgets as a part of his budget recommendations. This decision package reduces the Information Technology Systems Division by \$103,738 in FY 2012 and \$103,671 in FY 2013 to implement the budget reduction. The reduction includes the elimination of approximately 1.50 FTE.

**DEPARTMENT OF JUSTICE-4110
FORENSIC SCIENCE DIVISION-32**

**32 Forensic Sciences
Division
Dave McAlpin x406-329-1103**

**Laboratory
of Criminalistics**

**State Medical
Examiner**

Serology / DNA

**Latent Prints /
Impression Evidence**

**Firearms /
Toolmarks**

Chemistry

**Chem / Tox / Breath
Section**

**Quality Assurance
Control**

Program Description - The Forensic Science Division (FSD) includes the State Crime Lab in Missoula and the State Medical Examiner. The division provides a statewide system of death investigation, forensic science training and scientific criminal investigation. The division conducts analysis on specimens submitted by law enforcement officials, coroners, and other state agencies. The division tests firearms, tool marks, hair, fiber, drugs, blood, body fluids, and tissues. The laboratory also analyzes blood and urine samples in connection with driving under the influence (DUI) cases and it provides the certification, maintenance, and training of all law enforcement personnel on breath testing instruments.

Program Proposed Budget

Budget Item	Base Budget Fiscal 2010	PL Base Adjustment Fiscal 2012	New Proposals Fiscal 2012	Total Exec. Budget Fiscal 2012	PL Base Adjustment Fiscal 2013	New Proposals Fiscal 2013	Total Exec. Budget Fiscal 2013
	34.05	0.00	(1.25)	32.80	0.00	(1.25)	32.80
Personal Services	2,539,850	198,311	(109,526)	2,628,635	197,388	(109,491)	2,627,747
Operating Expenses	1,032,130	20,029	0	1,052,159	40,554	0	1,072,684
Equipment & Intangible Assets	9,551	150,000	0	159,551	150,000	0	159,551
Contract Service	150,579	0	0	150,579	0	0	150,579
Total Costs	\$3,732,110	\$368,340	(\$109,526)	\$3,990,924	\$387,942	(\$109,491)	\$4,010,561
General Fund	3,424,368	350,014	(109,526)	3,664,856	367,997	(109,491)	3,682,874
State/Other Special	307,742	18,326	0	326,068	19,945	0	327,687
Total Funds	\$3,732,110	\$368,340	(\$109,526)	\$3,990,924	\$387,942	(\$109,491)	\$4,010,561

**DEPARTMENT OF JUSTICE-4110
FORENSIC SCIENCE DIVISION-32**

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$150,000	\$150,000
FY 2013	\$150,000	\$150,000

PL- 3201 - FSD Equipment (OTO/BIEN) -

The Forensic Science Division (FSD) is requesting a \$300,000 biennial general fund appropriation for purchasing new and/or replacing scientific equipment. The State Crime Lab relies on highly sophisticated and expensive instrumentation for analysis. A biennial appropriation would allow for instruments to be acquired early in the biennium or as needed and put into use as soon as possible. Some of the things being considered for purchase are a liquid gas chromatograph with mass spectrometer and a Agilent 6400 series triple quad LC/MS/MS bundle. This new chromatographic technique is recognized for its ability to provide Picogram (10^{-12}) levels of sensitivity.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$12,190	\$12,190
FY 2013	\$12,190	\$12,190

PL- 3202 - FSD Base Adjustment -

The Forensic Sciences Division (FSD) is requesting \$24,380 general fund authority for the 2013 biennium for scheduled increased building lease costs, increased travel costs, and additional training costs. It is critical that Forensic Scientists have the proper training in order to perform their duties effectively on an everyday basis, or when testifying in court cases. Specialized training areas include Breath Alcohol, Drug Chemistry, Firearms and Toolmarks, Latent prints and Impressions, Pathology, Serology/DNA, Toxicology or Trace Evidence.

-----New Proposals-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	(\$109,526)	(\$109,526)
FY 2013	(\$109,491)	(\$109,491)

NP- 55400 - 4% Personal Services Reduction FSD -

The Governor has included a 4% reduction in general fund personal services budgets as a part of his budget recommendations. This decision package reduces the Forensic Science Division by \$109,526 in FY 2012 and \$109,491 in FY 2013 to implement the budget reduction. The reduction includes the elimination of approximately 1.25 FTE.

PUBLIC SERVICE REGULATION-4201

PUBLIC SERVICE REGULATION PROGRAM-01

4201 Public Service Regulation
X6199

01 Public Service
Commission

Mission Statement - To fairly balance the long-term interests of Montana utility and transportation companies and the customers they serve.

Statutory Authority - Title 69

Program Description - The Department of Public Service Regulation (PSR) regulates the public utility and transportation industries. Five commissioners elected from districts throughout Montana oversee this program.

Program Proposed Budget							
Original Item	Base Budget Fiscal 2010	PL Base Adjustment Fiscal 2012	New Proposals Fiscal 2012	Total Exec. Budget Fiscal 2012	PL Base Adjustment Fiscal 2013	New Proposals Fiscal 2013	Total Exec. Budget Fiscal 2013
Base	39.00	1.00	0.00	40.00	1.00	0.00	40.00
Personal Services	2,866,511	179,021	0	3,045,532	141,274	0	3,007,785
Operating Expenses	573,095	79,236	0	652,331	66,134	0	639,229
Post Service	6,080	0	0	6,080	0	0	6,080
Total Costs	\$3,445,686	\$258,257	\$0	\$3,703,943	\$207,408	\$0	\$3,653,094
State/Other Special	3,420,213	177,219	0	3,597,432	127,447	0	3,547,660
Federal Special	25,473	81,038	0	106,511	79,961	0	105,434
Total Funds	\$3,445,686	\$258,257	\$0	\$3,703,943	\$207,408	\$0	\$3,653,094

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$38,534	\$0
FY 2013	\$0	\$0

F - 2 - Pay Retirement Benefits -

This executive request is for additional state special revenue personal services authority to pay for staff retirement payouts. The PSC anticipates staff retirements in the next biennium resulting in leave payouts above normal personal services costs of \$38,534 during the biennium. There is no general fund impact.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$16,488	\$0
FY 2013	\$16,488	\$0

F - 3 - Pipeline Safety Federal Award and Match -

This budget request is for an additional \$14,595 federal spending authority and an additional \$1,893 state special revenue authority match in each year of the biennium. The Pipeline Safety federal grant award has been increasing in recent years based on additional federal criteria being met as well as an increase in the federal percentage share from 40% to approximately 50%. There is no general fund impact.

PUBLIC SERVICE REGULATION-4201

PUBLIC SERVICE REGULATION PROGRAM-01

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$0	\$
FY 2013	\$6,955	\$

PL- 5 - Computer Replacement -

The Public Service Commission (PSC) will replace 5 desktop computers and 1 server in FY 2013 . Computer replacement request is based on five-year replacement cycle recommended by Information Technology Service Division, Department of Administration. This request is for \$6,955 in FY 2013 and is the difference in the base amount of \$5,545 and the total cost of \$12,500. There is no general fund impact.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$12,305	\$
FY 2013	\$18,736	\$

PL- 6 - Building Rent -

The Public Service Commission (PSC) rent increases 3% each fiscal year per the contract negotiated by the General Services Division, Department of Administration. The increase for FY 2012 is \$12,305 and for FY 2013 the increase is \$18,736.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$25,000	\$
FY 2013	\$25,000	\$

PL- 7 - One Call -

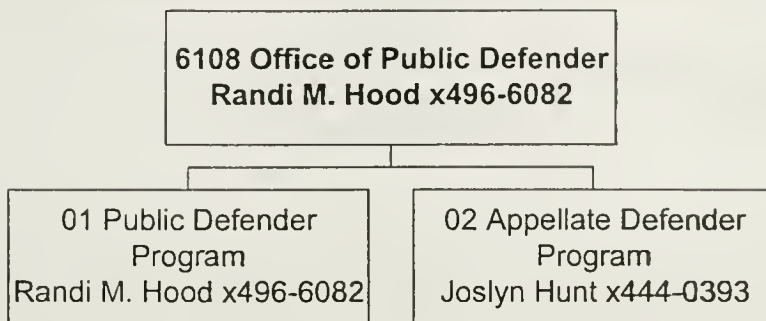
The U.S. Department of Transportation, Pipeline and Hazardous Materials Safety Administration, makes grants available annually to state pipeline safety programs under the One Call Grant program. One Call grants support the efforts of state pipeline safety offices to reduce the incidence of damage to underground facilities during excavation. Approval of this item will provide \$25,000 federal special revenue spending authority, in each year of the biennium, to the PSC, if the agency is awarded a One Call grant in upcoming biennium.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$82,886	\$
FY 2013	\$80,732	\$

PL- 8 - Pipeline Safety Engineer -

This budget request is for 1.00 FTE pipeline safety engineer and associated operating expenses. Given new federal regulations the Public Service Commission anticipates an additional pipeline safety engineer will be needed for the commission to continue to fulfill its responsibility to effectively audit and monitor pipeline operators to ensure the pipeline safety regulations are followed. This request is for \$82,886 in FY 2012 and \$80,732 in FY 2013 and will be funded 50/50 state special and federal special revenue funding.

OFFICE OF PUBLIC DEFENDER-6108



Mission Statement - The mission of the Office of the State Public Defender is to ensure equal access to justice for the state's indigent. The statewide public defender system, created by passage of the Montana Public Defender Act contained in Title 47, Montana Code Annotated, requires the new system to be operational by July 1, 2006.

The Public Defender Commission is responsible for the design, direction, and supervision of the new system. The Commission appoints the chief public defender, approves the strategic plan for the delivery of services, approves statewide standards for qualifications and training of public defenders and approves the overall design of the new statewide system.

Statutory Authority - Title 46

Agency Proposed Budget							
Budget Item	Base Budget Fiscal 2010	PL Base Adjustment Fiscal 2012	New Proposals Fiscal 2012	Total Exec. Budget Fiscal 2012	PL Base Adjustment Fiscal 2013	New Proposals Fiscal 2013	Total Exec. Budget Fiscal 2013
FE	200.50	11.00	5.00	216.50	11.00	5.00	216.50
Personal Services	11,912,040	1,271,377	316,362	13,499,779	1,257,668	315,629	13,485,337
Operating Expenses	7,959,536	290,019	15,500	8,265,055	253,277	0	8,212,813
Equipment & Intangible Assets	21,118	59,278	0	80,396	51,777	0	72,895
Total Costs	\$19,892,694	\$1,620,674	\$331,862	\$21,845,230	\$1,562,722	\$315,629	\$21,771,045
General Fund	19,849,276	1,526,207	331,862	21,707,345	1,496,428	315,629	21,661,333
State/Other Special	43,418	94,467	0	137,885	66,294	0	109,712
Total Funds	\$19,892,694	\$1,620,674	\$331,862	\$21,845,230	\$1,562,722	\$315,629	\$21,771,045

OFFICE OF PUBLIC DEFENDER-6108
OFFICE OF PUBLIC DEFENDER-01

01 Public Defender Program
 Randi M. Hood x496-6082

Program Description - The Office of State Public Defender administers the statewide public defender system that delivers public defender services in all courts in Montana for criminal and certain civil cases for an individual who is determined to be financially unable to retain private counsel and who is accused of an offense that could result in the person's loss of life or liberty if convicted. The office administers the statewide public defender system that is supervised by the Public Defender Commission. The office is administratively attached to the Department of Administration but has authority in law to provide administrative functions as determined by the commission.

The Public Defender Commission is responsible for the design, direction and supervision of the new system. The Commission appoints the chief public defender, approves the strategic plan for the delivery of services, approves statewide standards for qualifications and training of public defenders and approves the overall design of the new statewide system. The Act provides for a one-year transition period for these tasks to be completed.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2010	PL Base Adjustment Fiscal 2012	New Proposals Fiscal 2012	Total Exec. Budget Fiscal 2012	PL Base Adjustment Fiscal 2013	New Proposals Fiscal 2013	Total Exec. Budget Fiscal 2013
FTE	191.50	9.00	5.00	205.50	9.00	5.00	205.50
Personal Services	11,399,342	1,052,394	316,362	12,768,098	1,039,513	315,629	12,754,484
Operating Expenses	7,595,524	283,571	15,500	7,894,595	253,020	0	7,848,544
Equipment & Intangible Assets	21,118	59,278	0	80,396	51,777	0	72,895
Total Costs	\$19,015,984	\$1,395,243	\$331,862	\$20,743,089	\$1,344,310	\$315,629	\$20,675,923
General Fund	18,972,566	1,300,776	331,862	20,605,204	1,278,016	315,629	20,566,211
State/Other Special	43,418	94,467	0	137,885	66,294	0	109,712
Total Funds	\$19,015,984	\$1,395,243	\$331,862	\$20,743,089	\$1,344,310	\$315,629	\$20,675,923

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$509,521	\$509,521
FY 2013	\$483,601	\$483,601

PL - 4 - Additional FTE to Support Caseload - Public Defense -

The Public Defender Program is requesting 8.00 FTE positions to support its current workload. The total personal services funding request is \$509,521 for FY 2012 and \$483,601 for FY 2013 general fund. The first fiscal year includes office set up costs. The positions include: 3.00 FTE attorney positions, 1.00 FTE investigator position, and 4.00 FTE administrative support positions.

OFFICE OF PUBLIC DEFENDER-6108
OFFICE OF PUBLIC DEFENDER-01

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$37,885	\$0
FY 2013	\$34,712	\$0

- 9 - Accounts Receivable Technician -

The executive requests 1.00 FTE position which will be used to account for the assessment and receipt of the transactions associated with the passage of SB 263 during the 2009 legislative session. This senate bill required that defendants convicted of crimes pay the agency certain fees. The agency must appropriately account for and report on these transactions in a timely manner. The agency is requesting that this position be funded by state special revenue authority. Funding is in the amount of \$37,885 in FY 2012 and \$34,712 in FY 2013. The first fiscal year has office set up costs.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$153,473	\$153,473
FY 2013	\$196,808	\$196,808

- 10 - Computers/Servers/Printers -

This request is to fund the replacement of aging printers, servers, and computers. Funding in the amount of \$153,473 in FY 2012 and \$196,808 in FY 2013 is being requested. The agency did not have the funding to follow a 4 or 5 year replacement cycle and instead has been replacing equipment as it fails or is severely outdated.

-----**New Proposals**-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$46,229	\$46,229
FY 2013	\$43,031	\$43,031

- 3 - Records Management Function -

This decision package is for 1.00 FTE for a records management function for the agency and funding in the amount of \$46,229 in FY 2012 and \$43,031 in FY 2013. The first fiscal year has office set up costs. Personnel from the Secretary of State's office have directed that the agency continually inventory all records and file the results with that office and provide and maintain a records retention schedule. The agency inherited tens of thousands of legal files from various counties when it began operations in FY 2007. The agency did receive one-time federal funds to do the initial inventory and file setup but needs funds to accomplish this function on an on-going basis. The agency continues to produce thousands of legal files per year as a normal part of its business. The agency must store these files in a safe environment as they contain attorney-client notes and confidential communications.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$285,633	\$285,633
FY 2013	\$272,598	\$272,598

- 6 - Reduce Caseload for Managers -

This decision package is for 4.00 FTE attorney positions for each fiscal year and funding in the amount of \$285,633 in FY 2012 and \$272,598 in FY 2013. The first fiscal year has office set up costs. This funding will allow a reduction in caseloads for attorneys that manage the work of other attorneys. This request implements a recommendation made by the American University Study submitted to the Montana Public Defender Commission in July 2009.

**OFFICE OF PUBLIC DEFENDER-6108
OFFICE OF APPELLATE DEFENDER-02**

02 Appellate Defender Program
Joslyn Hunt x444-0393

Program Description - The Appellate Defender Program provides appeal services for indigent citizens.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2010	PL Base Adjustment Fiscal 2012	New Proposals Fiscal 2012	Total Exec. Budget Fiscal 2012	PL Base Adjustment Fiscal 2013	New Proposals Fiscal 2013	Total Exec. Budget Fiscal 2013
FTE	9.00	2.00	0.00	11.00	2.00	0.00	11.00
Personal Services	512,698	218,983	0	731,681	218,155	0	730,853
Operating Expenses	364,012	6,448	0	370,460	257	0	364,269
Total Costs	\$876,710	\$225,431	\$0	\$1,102,141	\$218,412	\$0	\$1,095,122
General Fund	876,710	225,431	0	1,102,141	218,412	0	1,095,122
Total Funds	\$876,710	\$225,431	\$0	\$1,102,141	\$218,412	\$0	\$1,095,122

-----Present Law Adjustments-----

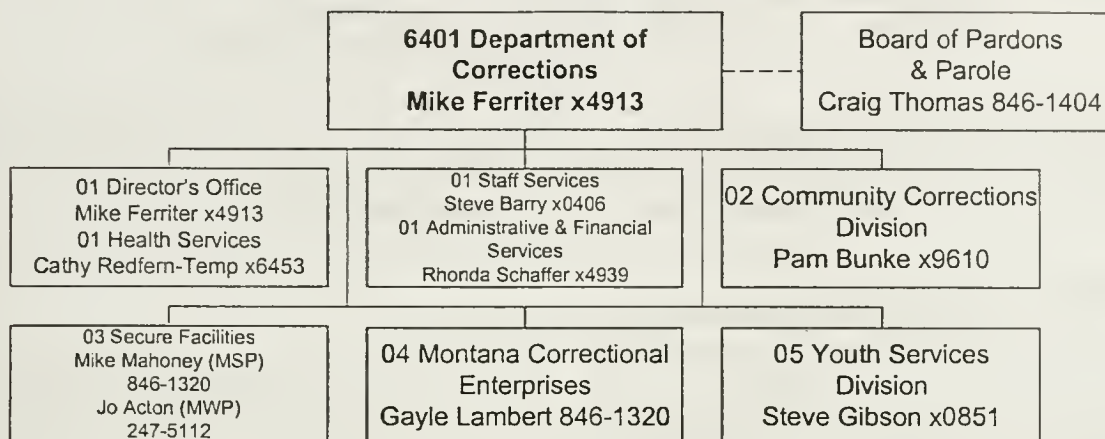
	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$137,500	\$137,500
FY 2013	\$130,982	\$130,982

PL- 11 - Additional FTE to Support Caseload - Appellate -

The Appellate Defender Program is requesting 2.00 FTE positions to support its current workload. The total personal services funding request is \$137,500 for FY 2012 and \$130,982 for FY 2013 general fund. The first fiscal year includes office set up costs. The positions include: 1.00 FTE attorney position and 1.00 FTE administrative support position.

DEPARTMENT OF CORRECTIONS-6401

Please note that this agency also contains proprietary funding (see Section P).



Mission Statement - The Montana Department of Corrections enhances public safety, promotes positive change in offender behavior, reintegrates offenders into the community, and supports victims of crime.

Statutory Authority - Provided for in 2-15-2301, 53-1-201 and 53-1-202, MCA.

Agency Proposed Budget							
Budget Item	Base Budget Fiscal 2010	PL Base Adjustment Fiscal 2012	New Proposals Fiscal 2012	Total Exec. Budget Fiscal 2012	PL Base Adjustment Fiscal 2013	New Proposals Fiscal 2013	Total Exec. Budget Fiscal 2013
	1,303.64	6.00	(20.50)	1,289.14	6.00	(20.50)	1,289.14
Personal Services	69,610,880	2,868,093	(1,203,829)	71,275,144	2,894,409	(1,206,647)	71,298,642
Operating Expenses	93,944,707	7,640,928	246,617	101,832,252	13,304,338	27,290	107,276,335
Equipment & Intangible Assets	201,078	161,000	325,000	687,078	44,000	0	245,078
Benefits & Claims	3,343,082	0	0	3,343,082	0	0	3,343,082
Transfers	2,848,950	0	0	2,848,950	0	0	2,848,950
Total Costs	\$169,948,697	\$10,670,021	(\$632,212)	\$179,986,506	\$16,242,747	(\$1,179,357)	\$185,012,087
General Fund	165,758,162	10,191,072	(632,212)	175,317,022	15,772,668	(1,179,357)	180,351,473
State/Other Special	3,561,540	397,613	0	3,959,153	389,048	0	3,950,588
Federal Special	20,872	0	0	20,872	0	0	20,872
Proprietary	608,123	81,336	0	689,459	81,031	0	689,154
Total Funds	\$169,948,697	\$10,670,021	(\$632,212)	\$179,986,506	\$16,242,747	(\$1,179,357)	\$185,012,087

**DEPARTMENT OF CORRECTIONS-6401
ADMINISTRATION & SUPPORT SERVICES-01**

**01 Director's Office
Mike Ferriter x4913**

**01 Information
Technology
John Daugherty x4469**

**01 Health Services
Administrator
Cathy Redfern-Temp
x6453**

**01 Staff Services
Steve Barry X0406**

**01 Administrative &
Financial Services
Division
Rhonda Schaffer x4939**

Program Description - The Administration and Support Services Program includes the Director's Office, Health Services, Information Services Division, Staff Services Division, Administrative and Financial Services Division and the administratively attached Board of Pardons and Parole. This program provides services to the department, governmental entities, and the public in the areas of: public and victim information, human resource management, staff development & training, American Indian liaison services, policy management, information technology, legal information, technical correctional services, research and statistics, medical services management, project management, payroll, budgeting and program planning, contract development, federal grants management, victim restitution, supervision fee collection accounting, and various administrative and management support functions.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2010	PL Base Adjustment Fiscal 2012	New Proposals Fiscal 2012	Total Exec. Budget Fiscal 2012	PL Base Adjustment Fiscal 2013	New Proposals Fiscal 2013	Total Exec. Budget Fiscal 2013
FTE	113.50	0.00	(5.00)	108.50	0.00	(5.00)	108.50
Personal Services	6,838,385	331,576	(306,569)	6,863,392	336,212	(308,408)	6,866,189
Operating Expenses	10,478,739	1,042,405	34,790	11,555,934	953,820	19,790	11,452,349
Total Costs	\$17,317,124	\$1,373,981	(\$271,779)	\$18,419,326	\$1,290,032	(\$288,618)	\$18,318,538
General Fund	16,879,299	1,273,648	(271,779)	17,881,168	1,197,281	(288,618)	17,787,962
State/Other Special	350,838	89,298	0	440,136	82,942	0	433,780
Proprietary	86,987	11,035	0	98,022	9,809	0	96,796
Total Funds	\$17,317,124	\$1,373,981	(\$271,779)	\$18,419,326	\$1,290,032	(\$288,618)	\$18,318,538

-----**Present Law Adjustments**-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$35,880	\$0
FY 2013	\$35,880	\$0

PL- 101 - Software maintenance collection management system -

This request is for software support required to maintain the integrity of the collections management system approved in the last session. The executive requests state special funding of \$35,880 in FY 2012 and \$35,880 in FY 2013 for a biennium total of \$71,760.

**DEPARTMENT OF CORRECTIONS-6401
ADMINISTRATION & SUPPORT SERVICES-01**

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$27,314	\$27,314
FY 2013	\$27,572	\$27,572

- 103 - New Building Rent -

This request is necessary to fully fund new rent expenditures primarily related to parking costs at the downtown facility. The executive request is for general funding of \$27,314 in FY 2012 and \$27,572 in FY 2013 for a biennium total \$54,886.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$10,000	\$10,000
FY 2013	\$10,000	\$10,000

- 601 - Legal Prosecution Services -

The Powell County Attorney is responsible for prosecuting all escapes and absconders from department facilities. This increase will maintain the continuity of prosecutions not only in Powell County but in Yellowstone and Lewis and Clark where County Attorneys have accepted assistance from Powell County with local cases that have occurred when offenders have made venue changes through the court system. The executive request is for general funding of \$10,000 in FY 2012 and \$10,000 in FY 2013 for a biennium total \$20,000.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$6,742	\$6,742
FY 2013	\$6,742	\$6,742

- 602 - Investigator Overtime -

The investigators in the Investigation Bureau can be called out 24x7 to conduct investigations at department facilities throughout the state. They incur overtime based on the critical need to preserve evidence at crime scenes. There has never been an overtime budget for this bureau and funding from other areas of the department has been necessary to support the overtime needs. The request is for general funding of \$6,742 in FY 2012 and \$6,742 in FY 2013.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$829,097	\$829,097
FY 2013	\$832,399	\$832,399

- 701 - Outside Medical -

The purpose of this proposal is to increase operating costs to account for inflationary and population increases associated with outside inmate medical expenses. The executive request is for general funding of \$829,097 in FY 2012 and \$832,399 in FY 2013.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$31,000	\$0
FY 2013	\$31,000	\$0

- 801 - Increase Spending Authority for training manuals -

This increase in state special revenue funding authority will allow the Professional Development Bureau to provide training manuals to participants from outside the Department and bill those agencies for these materials.

**DEPARTMENT OF CORRECTIONS-6401
ADMINISTRATION & SUPPORT SERVICES-01**

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$6,700	\$6,700
FY 2013	\$6,700	\$6,700

PL- 901 - Board member per diem -

This request is to continue the board members compensation as outlined in 2-25-124 (7), MCA. Total base budget amounts are \$33,725, however, the BOPP projected expenses are \$40,425. The executive requests the difference of \$6,700 in FY 2012 and \$6,700 in FY 2013 for a total general fund request of \$13,400 for the biennium.

-----**New Proposals**-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$34,790	\$34,790
FY 2013	\$19,790	\$19,790

NP- 602 - Victim information and notification -

This request is to maintain the existing victim notification system, and to expand notification to registered victims when an offender's custody status changes. Both of these steps are necessary to comply with victim notification statutory obligation (46-24-212, MCA). The request is for OTO general funding of \$32,500 in FY 2012 and \$17,500 FY 2013 for the OTO biennium total \$50,000 and \$2,290 ongoing funding in FY 2012 and FY 2013.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	(\$306,569)	(\$306,569)
FY 2013	(\$308,408)	(\$308,408)

NP- 55400 - Admin and Support Services FTE Reduction -

The Governor has included a 4% reduction in general fund personal services budgets as a part of his budget recommendations. This decision package reduces the Administration and Support Services program by \$306,569 in FY 2012 and \$308,408 in FY 2013 to implement the budget reduction. The reduction includes the elimination of 5.00 FTE.

**DEPARTMENT OF CORRECTIONS-6401
ADULT COMMUNITY CORRECTIONS-02**

**02 Adult Community
Corrections Division
Pam Bunke x9610**

**Probation & Parole
Bureau**

**Community Corrections
Facilities Program Bureau**

**Missoula Assessment &
Sanction Center**

**Interstate
Compact**

**Contracted Substance
Abuse Programs**

Prerelease Centers

**Sanction & Assessment
Centers**

**Treasure State
Correctional Training
Center**

Program Description - The Adult Community Corrections Division includes probation and parole, intensive and enhanced supervision programs, male and female community corrections programs that include: the boot camp training center, chemical dependency treatment programs, DUI treatment facilities, Methamphetamine treatment facilities, assessment, sanction, and revocation centers, and various other diversion from prison programs. The department contracts with nonprofit corporations in Great Falls, Missoula, Billings, Bozeman, Butte, and Helena for prerelease services.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2010	PL Base Adjustment Fiscal 2012	New Proposals Fiscal 2012	Total Exec. Budget Fiscal 2012	PL Base Adjustment Fiscal 2013	New Proposals Fiscal 2013	Total Exec. Budget Fiscal 2013
Base	263.00	0.00	(4.00)	259.00	0.00	(4.00)	259.00
Personal Services	14,502,612	534,378	(189,181)	14,847,809	537,449	(189,181)	14,850,880
Operating Expenses	43,020,504	4,435,503	0	47,456,007	5,668,421	0	48,688,925
Total Costs	\$57,523,116	\$4,969,881	(\$189,181)	\$62,303,816	\$6,205,870	(\$189,181)	\$63,539,805
General Fund	57,064,428	4,967,614	(189,181)	61,842,861	6,206,391	(189,181)	63,081,638
State/Other Special	458,688	2,267	0	460,955	(521)	0	458,167
Federal Special	0	0	0	0	0	0	0
Total Funds	\$57,523,116	\$4,969,881	(\$189,181)	\$62,303,816	\$6,205,870	(\$189,181)	\$63,539,805

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$677,431	\$677,431
FY 2013	\$677,431	\$677,431

- 201 - Annualize Treatment Beds -

provide funding for the number of actual contracted treatment beds versus the base budget expenditures, the executive requests \$677,431 each year for a biennial general fund total of \$1,354,862.

DEPARTMENT OF CORRECTIONS-6401

ADULT COMMUNITY CORRECTIONS-02

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$2,537,126	\$2,537,126
FY 2013	\$2,537,126	\$2,537,126

PL- 202 - Annualize Prerelease Beds -

To provide funding for the number of actual contracted prerelease beds versus the base budget expenditures, the executive requests \$2,537,126 each year for a biennial general fund total of \$5,074,252.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$0	\$0
FY 2013	\$1,226,984	\$1,226,984

PL- 203 - Requesting NW Prerelease Beds -

The executive requests funding of \$1,226,984 in FY 2013 for 40 pre-release beds in a pre-release center which will be located in northwestern Montana.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$128,737	\$128,737
FY 2013	\$128,737	\$128,737

PL- 204 - Annualize MASC Beds -

The executive requests funding to provide for the number of actual contracted Missoula Assessment & Sanction Center beds versus the base budget expenditures. The executive requests \$128,737 each year for a biennial general fund total of \$257,474.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$37,304	\$37,304
FY 2013	\$37,304	\$37,304

PL- 206 - TSCTC Overtime -

To account for drill instructor overtime and holidays worked which is zero based, the executive requests \$37,304 each year for a biennial general fund total of \$74,608.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$1,054,850	\$1,054,850
FY 2013	\$1,054,850	\$1,054,850

PL- 207 - Population Bed Expansion -

The executive requests \$1,054,850 each year for a biennial general fund total of \$2,109,700 to properly fund offender population increases according to the department's population management plan. The agency is requesting funding for system growth of 0.41% in FY 2012 and 1.38% in FY 2013. This includes both adult community placements and secure beds.

**DEPARTMENT OF CORRECTIONS-6401
ADULT COMMUNITY CORRECTIONS-02**

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$100,000	\$100,000
FY 2013	\$100,000	\$100,000

208 - Increase in Special Needs Funding -

Special needs funding for the 6 prerelease centers is currently capped at \$50,000. The PRCs service approximately 300 offenders per year. Special needs funds are utilized by the centers to assist offenders who are unable to work, either full time or not at all, due to medical issues, mental health diagnoses, or physical restrictions or are working but unable to pay the high cost of medication or treatment/therapy. The executive requests to increase these funds by \$100,000 in FY 2012 and \$100,000 in FY 2013 for a biennial total of \$200,000.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$109,500	\$109,500
FY 2013	\$109,500	\$109,500

209 - Increase SCRAM Units by 20 -

The department is requesting additional Secure Continuous Remote Alcohol Monitor units for around the clock, 24-7 electronic monitoring of DUI offenders' blood alcohol who are in the community under P&P supervision. The executive requests an increase of 20 units for a general fund request of \$109,500 each year for a biennial general fund total of \$219,000.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$21,820	\$21,820
FY 2013	\$21,820	\$21,820

210 - ACCD MCE Rate Increases -

The executive requests funding to cover the Montana Correctional Enterprises requested rate increases for food/laundry services.

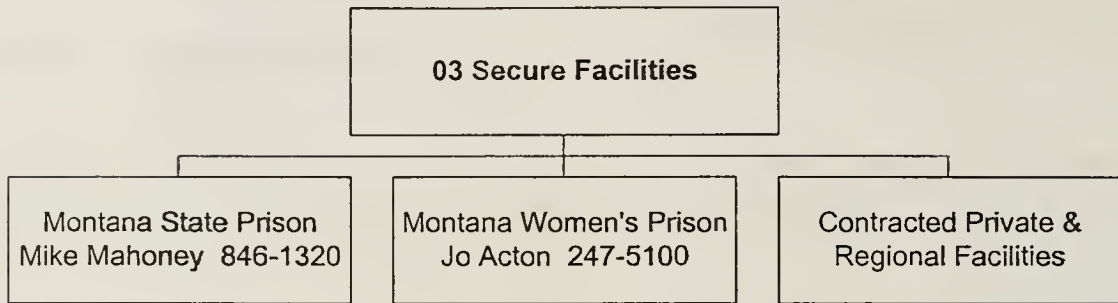
-----**New Proposals**-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	(\$189,181)	(\$189,181)
FY 2013	(\$189,181)	(\$189,181)

P- 55400 - ACCD FTE Reductions -

The Governor has included a 4% reduction in general fund personal services budgets as a part of his budget recommendations. This decision package reduces the Adult Community Corrections program by \$189,181 each year of the biennium to implement the budget reduction. The reduction includes the elimination of 4.00 FTE.

DEPARTMENT OF CORRECTIONS-6401 SECURE CUSTODY FACILITIES-03



Program Description - The Secure Facilities Program includes the Montana State Prison, Montana Women's Prison and contract bed facilities which include: Dawson County Correctional Facility, Cascade County Regional Prison, and Crossroads Correctional Center in Shelby. Approximately 2,300 male and 200 female inmates are incarcerated in these facilities.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2010	PL Base Adjustment Fiscal 2012	New Proposals Fiscal 2012	Total Exec. Budget Fiscal 2012	PL Base Adjustment Fiscal 2013	New Proposals Fiscal 2013	Total Exec. Budget Fiscal 2013
FTE	702.04	5.00	(8.00)	699.04	5.00	(8.00)	699.04
Personal Services	36,734,843	1,285,816	(498,190)	37,522,469	1,297,492	(498,190)	37,534,145
Operating Expenses	35,718,683	1,836,277	0	37,554,960	6,345,839	0	42,064,522
Equipment & Intangible Assets	201,078	161,000	325,000	687,078	44,000	0	245,078
Transfers	719	0	0	719	0	0	719
Total Costs	\$72,655,323	\$3,283,093	(\$173,190)	\$75,765,226	\$7,687,331	(\$498,190)	\$79,844,464
General Fund	72,516,318	3,283,093	(173,190)	75,626,221	7,687,331	(498,190)	79,705,459
State/Other Special	129,832	0	0	129,832	0	0	129,832
Federal Special	9,173	0	0	9,173	0	0	9,173
Total Funds	\$72,655,323	\$3,283,093	(\$173,190)	\$75,765,226	\$7,687,331	(\$498,190)	\$79,844,464

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$315,320	\$315,320
FY 2013	\$315,320	\$315,320

PL- 301 - MWP Overtime -

The executive requests funding of \$315,320 each year in FY 2013 for a biennial general fund total of \$630,640 for overtime and holidays worked at Montana Women's Prison. Overtime is zero based.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$36,383	\$36,383
FY 2013	\$36,383	\$36,383

PL- 302 - MWP Inmate Pay -

The executive requests funding of \$36,383 each year for a biennial general fund total of \$72,766 for Montana Women's Prison inmate pay which is zero based.

**DEPARTMENT OF CORRECTIONS-6401
SECURE CUSTODY FACILITIES-03**

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$0	\$0
FY 2013	\$0	\$0

1 - 303 - MWP Correctional Officers with overtime offset -

This decision package is for two correctional officers for Montana Women's Prison to assist with CO relief factors. The funding will be mitigated with the overtime budget at MWP.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$20,000	\$20,000
FY 2013	\$20,000	\$20,000

1 - 304 - Increased contract services -

The executive requests funding of \$10,000 general fund each year for contract services. This funding will be used to continue to fund full year GED school services previously supplemented with the Billings School District and to fund additional chaplain hours.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$151,279	\$151,279
FY 2013	\$151,279	\$151,279

1 - 305 - MSP MCE Rate Increase -

The executive requests funding of \$151,279 in FY 2012 and \$151,279 in FY 2013 for a biennial total of \$302,558 to cover MCE requested rate increases for food/laundry services.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$1,297,717	\$1,297,717
FY 2013	\$1,297,717	\$1,297,717

1 - 307 - MSP Overtime -

The budget includes funding of \$1,297,717 each year for a biennial general fund total of \$2,595,434 for overtime and holidays worked at Montana State Prison. Overtime is zero based.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$294,434	\$194,434
FY 2013	\$294,434	\$194,434

1 - 308 - MSP Inmate Pay -

The executive requests funding of \$194,434 general fund and \$100,000 state special revenue each year for Montana State Prison inmate pay which is zero based.

DEPARTMENT OF CORRECTIONS-6401

SECURE CUSTODY FACILITIES-03

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$161,000	\$161,000
FY 2013	\$44,000	\$44,000

PL- 311 - Equipment – Security - OTO -

The executive requests OTO general funding of \$161,000 in FY 2012 and \$44,000 in FY 2013 for a biennial total of \$205,000 to purchase one-time-only equipment at Montana State Prison. This funding will be used for facility purchases such as food service items, a metal detector, recreation yard upgrades, and inmate transportation vehicles.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$18,000	\$18,000
FY 2013	\$10,000	\$10,000

PL- 313 - NCCHC Accreditation -

The budget includes funding of \$18,000 in FY 2012 and \$10,000 in FY 2013 for a biennial general fund total of \$28,000 for funding required in receiving training and retaining the National Commission on Correctional Health Care (NCCHC) accreditation at the MSP infirmary.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$1,227,570	\$1,227,570
FY 2013	\$1,227,570	\$1,227,570

PL- 315 - Annualizing Beds for Contract Beds -

This decision package requests funding to provide for the number of actual contracted secure beds versus the base budget expenditures. The executive requests \$1,227,570 in FY 2012 and \$1,227,570 general fund each year for these beds.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$620,500	\$620,500
FY 2013	\$5,088,100	\$5,088,100

PL- 316 - Population Growth -

The executive requests \$620,500 in FY 2012 and \$5,088,100 in FY 2013 for a biennial general fund total of \$5,708,600 to properly fund inmate/offender population increases according to the department's population management plan. The agency is requesting funding for system growth of 0.41% in FY 2012 and 1.38% in FY 2013. This includes both adult community placements and secure beds.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$151,690	\$151,690
FY 2013	\$151,387	\$151,387

PL- 317 - Mental Health Technicians -

The executive requests funding for 3.00 FTE mental health technicians for the Montana State Prison. The general fund cost of the FTE is approximately \$150,000 per year. The FTE were approved as modified FTE in FY 2011 and will assist the department with mental health treatment in the male secure care populations.

**DEPARTMENT OF CORRECTIONS-6401
SECURE CUSTODY FACILITIES-03**

-----New Proposals-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$325,000	\$325,000
FY 2013	\$0	\$0

FP- 302 - Security Control System OTO/Bien -

The executive requests OTO/biennial funding of \$325,000 general fund in FY 2012 to upgrade a security system at Montana Women's Prison.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	(\$36,333)	(\$36,333)
FY 2013	(\$36,333)	(\$36,333)

FP- 55400 - MWP FTE Reductions -

The Governor has included a 4% reduction in general fund personal services budgets as a part of his budget recommendations. This decision package reduces the Montana Women's Prison by \$36,333 in each year of the biennium to implement the budget reduction. The reduction includes the elimination of 1.00 FTE.

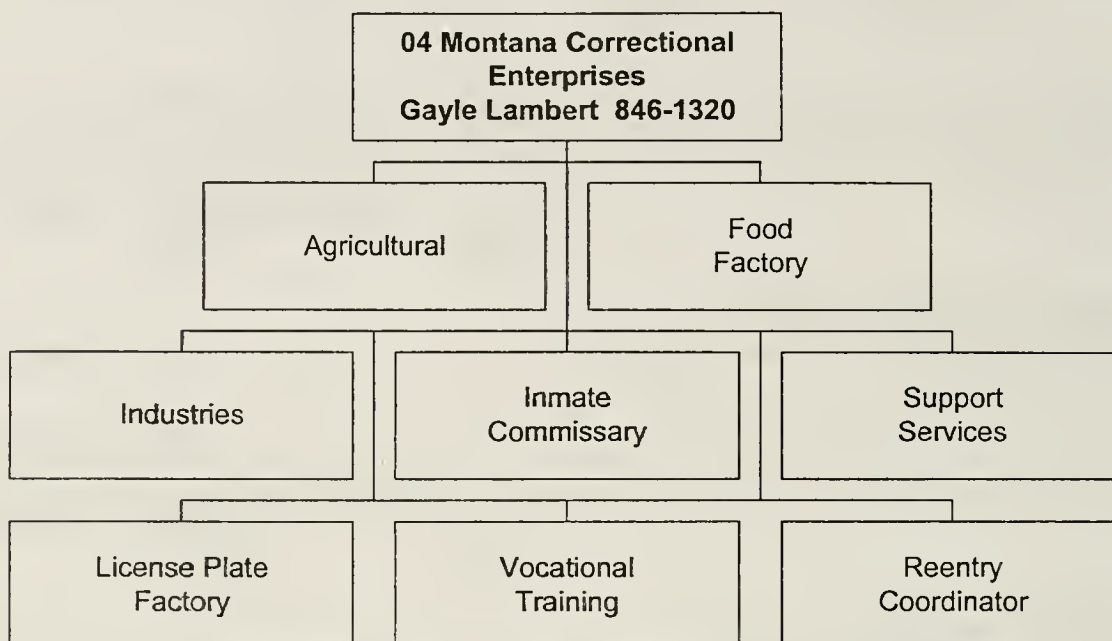
	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	(\$461,857)	(\$461,857)
FY 2013	(\$461,857)	(\$461,857)

FP- 55401 - FTE Reductions MSP - Contract Beds -

The Governor has included a 4% reduction in general fund personal services budgets as a part of his budget recommendations. This decision package reduces the Montana State Prison program by \$461,857 in each year of the biennium to implement the budget reduction. The reduction includes the elimination of 7.00 FTE.

DEPARTMENT OF CORRECTIONS-6401 MONTANA CORRECTIONAL ENTERPRISES-04

Please note that this program also contains proprietary funding (see Section P).



Program Description - The Montana Correctional Enterprises (MCE) Division provides vocational education and on the job training to over 400 offenders with minimal general fund support. MCE programs allow offenders to gain valuable knowledge, life skills, and work experience, helping them to transition back into society.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2010	PL Base Adjustment Fiscal 2012	New Proposals Fiscal 2012	Total Exec. Budget Fiscal 2012	PL Base Adjustment Fiscal 2013	New Proposals Fiscal 2013	Total Exec. Budget Fiscal 2013
FTE	16.25	1.00	(0.50)	16.75	1.00	(0.50)	16.75
Personal Services	964,541	(1,772)	(23,187)	939,582	(2,271)	(23,187)	939,083
Operating Expenses	2,226,501	399,917	7,500	2,633,918	400,455	7,500	2,634,456
Equipment & Intangible Assets	0	0	0	0	0	0	0
Total Costs	\$3,191,042	\$398,145	(\$15,687)	\$3,573,500	\$398,184	(\$15,687)	\$3,573,539
General Fund	892,921	20,951	(15,687)	898,185	20,276	(15,687)	897,510
State/Other Special	1,776,985	306,893	0	2,083,878	306,686	0	2,083,671
Federal Special	0	0	0	0	0	0	0
Proprietary	521,136	70,301	0	591,437	71,222	0	592,358
Total Funds	\$3,191,042	\$398,145	(\$15,687)	\$3,573,500	\$398,184	(\$15,687)	\$3,573,539

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$71,900	\$47,400
FY 2013	\$71,900	\$47,400

PL- 401 - HB2 Overtime and Inmate Payroll -

The executive requests funding for overtime, holidays worked, and inmate pay at Montana Correctional Enterprises. Overtime is zero based. This request is for \$94,800 general fund and \$49,000 state special revenue funding for the biennium.

**DEPARTMENT OF CORRECTIONS-6401
MONTANA CORRECTIONAL ENTERPRISES-04**

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$44,506	\$44,506
FY 2013	\$44,412	\$44,412

- 402 - HB2 Additional Inmate Canteen FTE -

The budget includes funding of \$44,506 and 1.00 FTE in FY 2012 and funding of \$44,412 and 1.00 FTE in FY 2013 for a biennial total of \$88,918. The inmate canteen is now serving the entire population of Montana inmates, including inmates in the regional prisons in Glendive and Great Falls, the private prison in Shelby and the Montana Women's Prison in Billings. The two most recent additions were the Great Falls and Shelby prisons. Additional staffing is needed to keep up with the demand. There are currently only three employees that work in the Canteen servicing approximately 2,460 inmates on a weekly basis.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$300,000	\$0
FY 2013	\$300,000	\$0

- 405 - HB2 Increased Spending Authority for Canteen -

This decision package requests to increase authority in the State Special Revenue Fund for the MCE Canteen. The Canteen has begun to service all correctional facilities in Montana and additional authority is needed for the merchandise purchases. This request is for \$300,000 state special revenue funding each year of the biennium.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$100,000	\$0
FY 2013	\$100,000	\$0

- 409 - HB2 Increase Spending Authority for MVM -

This decision package requests to increase authority internal service fund for the Motor Vehicle Maintenance (MVM) program. MVM is looking for additional customers. If additional customers are found, supplies will need to be purchased to accommodate. This request is for \$100,000 proprietary funding each year of the biennium.

-----**New Proposals**-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$7,500	\$7,500
FY 2013	\$7,500	\$7,500

- 403 - Voc Ed Video Conferencing Maintenance Costs -

The executive requests \$7,500 in FY 2012 and \$7,500 in FY 2013 for a biennial total of \$15,000 for the vocational education program. The voc-ed program previously received a Carl Perkins Grant to purchase two video conferencing systems to assist with training costs. The grant is no longer available and the equipment maintenance fees are ongoing. This equipment will assist both Montana State Prison and Montana Correctional Enterprises in the ability to provide training at reduced costs due to the ability to have multiple areas viewing training at one time without on-site trainers and travel.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	(\$23,187)	(\$23,187)

DEPARTMENT OF CORRECTIONS-6401
MONTANA CORRECTIONAL ENTERPRISES-04

FY 2013

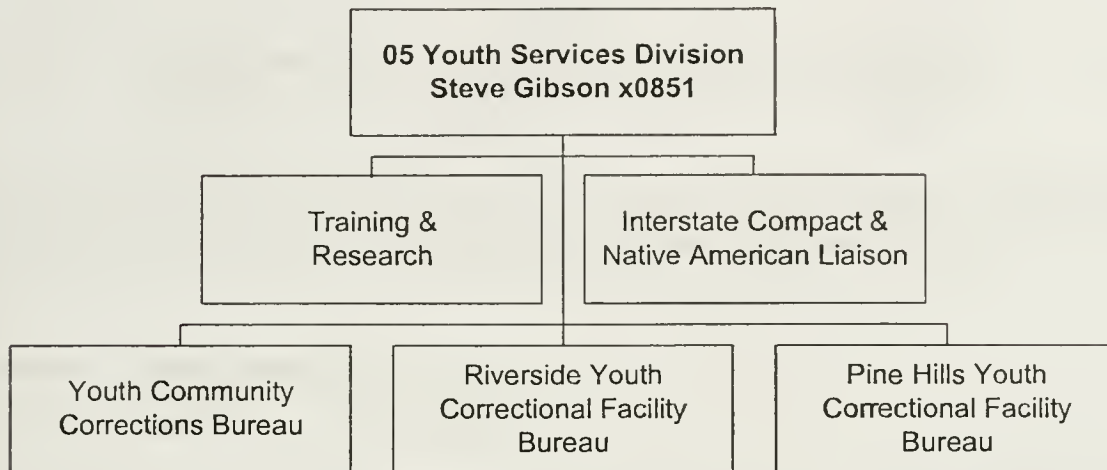
(\$23,187)

(\$23,187)

NP- 55400 - MCE FTE Reduction -

The Governor has included a 4% reduction in general fund personal services budgets as a part of his budget recommendations. This decision package reduces the Montana Correctional Enterprises program by \$23,187 a year to implement the budget reduction. The reduction includes the elimination of 0.50 FTE.

DEPARTMENT OF CORRECTIONS-6401 YOUTH SERVICES-05



Program Description - The Youth Services Division is responsible for all state operated youth programs including Pine Hills Youth Correctional Facility for males located in Miles City, Riverside Youth Correctional Facility for females in Boulder, Youth Community Corrections including Juvenile Parole, interstate compact services for probation and parole, entry services, transition centers, detention licensing, and transportation. Additional responsibilities include research, training, and administrative support services.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2010	PL Base Adjustment Fiscal 2012	New Proposals Fiscal 2012	Total Exec. Budget Fiscal 2012	PL Base Adjustment Fiscal 2013	New Proposals Fiscal 2013	Total Exec. Budget Fiscal 2013
Personnel	208.85	0.00	(3.00)	205.85	0.00	(3.00)	205.85
Personal Services	10,570,499	718,095	(186,702)	11,101,892	725,527	(187,681)	11,108,345
Operating Expenses	2,500,280	(73,174)	204,327	2,631,433	(64,197)	0	2,436,083
Benefits & Claims	3,343,082	0	0	3,343,082	0	0	3,343,082
Transfers	2,848,231	0	0	2,848,231	0	0	2,848,231
Total Costs	\$19,262,092	\$644,921	\$17,625	\$19,924,638	\$661,330	(\$187,681)	\$19,735,741
General Fund	18,405,196	645,766	17,625	19,068,587	661,389	(187,681)	18,878,904
State/Other Special	845,197	(845)	0	844,352	(59)	0	845,138
Federal Special	11,699	0	0	11,699	0	0	11,699
Total Funds	\$19,262,092	\$644,921	\$17,625	\$19,924,638	\$661,330	(\$187,681)	\$19,735,741

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$172,960	\$172,960
FY 2013	\$172,960	\$172,960

1 - 502 - PHYCF Overtime -

The executive requests funding of \$172,960 each year for a biennial general fund total of \$345,920 for overtime and holidays worked at Pine Hills Youth Correctional Facility. Overtime is zero based.

DEPARTMENT OF CORRECTIONS-6401 YOUTH SERVICES-05

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$26,468	\$26,468
FY 2013	\$26,468	\$26,468

PL- 503 - RYCF Overtime -

The budget includes funding of \$26,468 general fund each year for a biennial total of \$52,936 for overtime and holidays worked at Riverside Youth Correctional Facility. Overtime is zero based.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$34,447	\$34,447
FY 2013	\$34,447	\$34,447

PL- 504 - YTC Overtime -

The executive requests funding of \$34,447 general fund each year for a biennial total of \$68,894 for overtime and holidays worked at the Youth Transition Center. Overtime is zero based.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$32,500	\$32,500
FY 2013	\$32,500	\$32,500

PL- 505 - PHYCF Inmate Pay -

The executive requests funding of \$32,500 general fund each year for a biennial total of \$65,000 for Pine Hills Youth Correctional Facility inmate pay which is zero based.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$1,000	\$1,000
FY 2013	\$1,000	\$1,000

PL- 506 - RYCF Inmate Pay -

This decision package requests funding of \$1,000 general fund each year for Riverside Youth Correctional Facility inmate pay which is zero based.

-----New Proposals-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$204,327	\$204,327
FY 2013	\$0	\$0

NP- 502 – RYCF Security Cameras Bien/OTO -

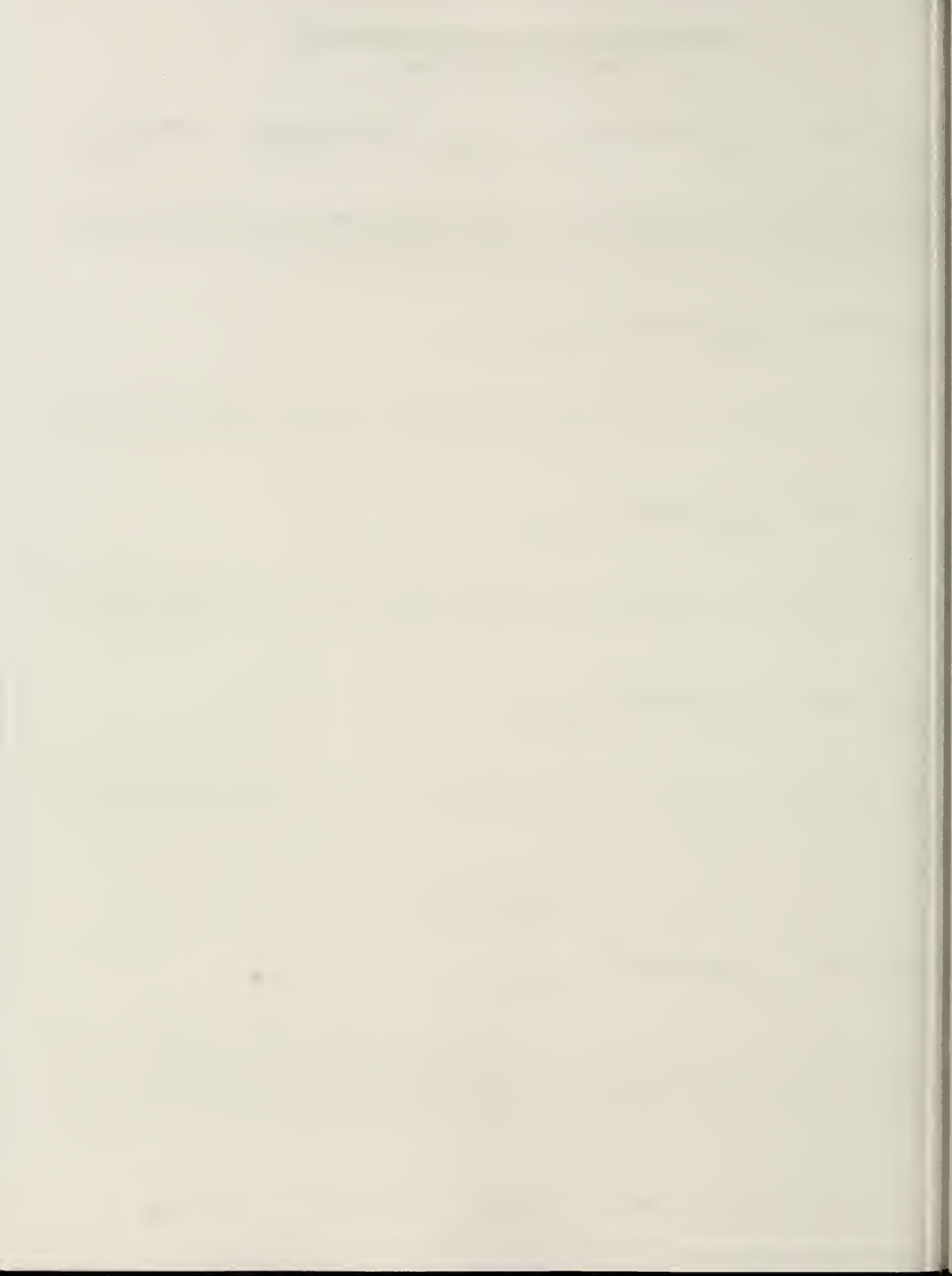
The executive requests OTO/biennial funding of \$204,327 in FY 2012 for a security system at Riverside Youth Correctional Facility. Currently RYCF has two surveillance cameras located in the front entrance and south Sally Port. Riverside needs to comply with recommendations from PREA and Riverside's own safety/security best practices by installing security cameras throughout the facility. This system includes indoor/outdoor surveillance with recording/save capabilities.

DEPARTMENT OF CORRECTIONS-6401
YOUTH SERVICES-05

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	(\$186,702)	(\$186,702)
FY 2013	(\$187,681)	(\$187,681)

- 55400 - YSD FTE Reductions -

The Governor has included a 4% reduction in general fund personal services budgets as a part of his budget recommendations. This decision package reduces the Youth Services program by \$186,702 in FY 2012 and \$187,681 in FY 2013 to implement the budget reduction. The reduction includes the elimination of 3.00 FTE.





GOVERNOR
BRIAN SCHWEITZER

STATE OF MONTANA

SECTION E: EDUCATION

Office of Public Instruction
Board of Public Education
School for the Deaf & Blind
Montana Arts Council
Montana State Library
Montana Historical Society

Commissioner of Higher Education
Montana University System (MUS)
Educational Units
Community Colleges
Bureau of Mines & Geology
Agricultural Experiment Station
Cooperative Extension Service
Forestry Experiment Station
Fire Services Training School

OBPP Staff:

Nancy Hall
Nate Thomas

x 4899
x 4893

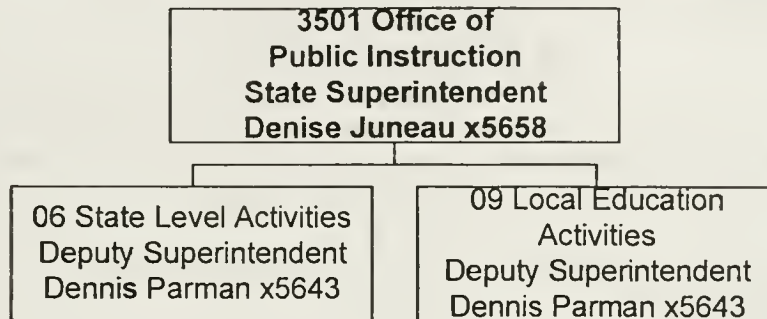


GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING



OFFICE OF PUBLIC INSTRUCTION-3501

Please note that this agency also contains proprietary funding (see Section P).



Mission Statement - The Montana Office of Public Instruction provides vision, advocacy, support, and leadership for schools and communities to ensure that all students meet today's challenges and tomorrow's opportunities.

Statutory Authority - Title 20, MCA

Language - "The office of public instruction may distribute funds from the appropriation for In-state Treatment to public school districts for the purpose of providing for educational costs of children with significant behavioral or physical needs."

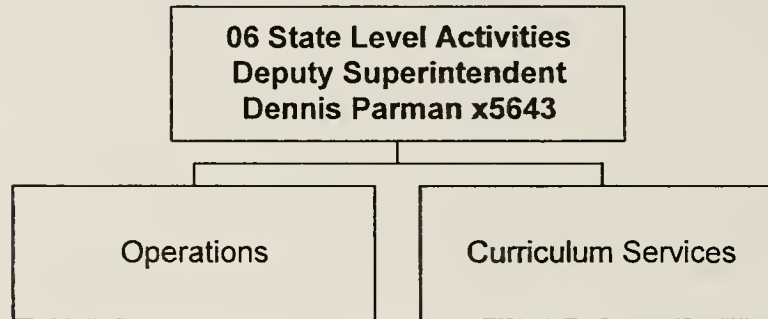
All revenue up to \$1.1 million in the state traffic education account for distribution to schools under the provisions of 20-506 and 61-5-121 is appropriated as provided in Title 20, chapter 7, part 5."

All appropriations for federal special revenue programs in state level activities and in local education activities and all general fund appropriations in local educational activities are biennial."

Agency Proposed Budget							
Budget Item	Base Budget Fiscal 2010	PL Base Adjustment Fiscal 2012	New Proposals Fiscal 2012	Total Exec. Budget Fiscal 2012	PL Base Adjustment Fiscal 2013	New Proposals Fiscal 2013	Total Exec. Budget Fiscal 2013
FE	165.86	0.00	0.00	165.86	0.00	0.00	165.86
Personal Services	9,958,949	717,956	0	10,676,905	715,295	0	10,674,244
Operating Expenses	14,806,100	(60,529)	1,290,600	16,036,171	(29,408)	1,290,600	16,067,292
Equipment & Intangible Assets	11,839	0	0	11,839	0	0	11,839
Local Assistance	564,594,849	118,340,185	2,833,083	685,768,117	122,022,189	4,243,215	690,860,253
Grants	132,029,203	7,736,980	0	139,766,183	11,386,980	0	143,416,183
Transfers	409,490	0	0	409,490	0	0	409,490
Total Costs	\$721,810,430	\$126,734,592	\$4,123,683	\$852,668,705	\$134,095,056	\$5,533,815	\$861,439,301
General Fund	560,053,258	133,130,310	(42,916,835)	650,266,733	136,843,804	(42,099,062)	654,798,000
State/Other Special	975,513	1,990	47,040,518	48,018,021	2,179	47,632,877	48,610,569
Federal Special	160,781,659	(6,397,708)	0	154,383,951	(2,750,927)	0	158,030,732
Total Funds	\$721,810,430	\$126,734,592	\$4,123,683	\$852,668,705	\$134,095,056	\$5,533,815	\$861,439,301

OFFICE OF PUBLIC INSTRUCTION-3501 STATE LEVEL ACTIVITIES-06

Please note that this program also contains proprietary funding (see Section P).



Program Description - The State Level Activities program provides leadership and coordination of services to a variety of school and public groups. The staff provides assistance to the Superintendent of Public Instruction in performing statutorily prescribed duties. The program: 1) supports the Superintendent's statutory role with the Board of Public Education, Board of Regents, and Land Board; 2) is responsible for the distribution and accounting of state and federal funds provided to school districts; 3) maintains the information systems necessary to assess student achievement and the quality of Montana's elementary and secondary school system; and 4) provides assistance and information to school districts. The program administers all federal grants received by OPI, including: 1) curriculum assistance; 2) special education; 3) ESEA administration; 4) secondary vocational education administration; and 5) other educational services.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2010	PL Base Adjustment Fiscal 2012	New Proposals Fiscal 2012	Total Exec. Budget Fiscal 2012	PL Base Adjustment Fiscal 2013	New Proposals Fiscal 2013	Total Exec. Budget Fiscal 2013
FTE	165.86	0.00	0.00	165.86	0.00	0.00	165.86
Personal Services	9,958,949	717,956	0	10,676,905	715,295	0	10,674,244
Operating Expenses	13,722,264	(84,270)	1,290,600	14,928,594	(65,674)	1,290,600	14,947,190
Equipment & Intangible Assets	11,839	0	0	11,839	0	0	11,839
Total Costs	\$23,693,052	\$633,686	\$1,290,600	\$25,617,338	\$649,621	\$1,290,600	\$25,633,273
General Fund	8,966,070	149,887	1,175,600	10,291,557	168,852	1,175,600	10,310,522
State/Other Special	225,513	1,990	115,000	342,503	2,179	115,000	342,692
Federal Special	14,501,469	481,809	0	14,983,278	478,590	0	14,980,059
Total Funds	\$23,693,052	\$633,686	\$1,290,600	\$25,617,338	\$649,621	\$1,290,600	\$25,633,273

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$26,239	\$26,239
FY 2013	\$39,952	\$39,952

PL- 606 - Audiological Services -

This present law adjustment of \$26,239 in FY 2012 and \$39,952 in FY 2013 will increase the Hearing Conservation Program (HCP) contract to ensure the continuation of the services at \$457,096 for FY 2012 and \$470,809 in FY 2013. This is a 3% increase per year to maintain audiological services. The Individuals with Disabilities Education Act requires public schools to have an effective child-find system in place for children through age 21 who are suspected of having disabilities. The Hearing Conservation Program is the primary method for schools to ensure proper identification of students with hearing impairments. Services for children with hearing impairments require timely and appropriate assessments of their hearing deficits.

**OFFICE OF PUBLIC INSTRUCTION-3501
STATE LEVEL ACTIVITIES-06**

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$18,000	\$18,000
FY 2013	\$18,000	\$18,000

1.- 607 - National Board Certified Teachers-OTO (Restricted) -

This request for \$18,000 general fund in each year of the 2013 biennium will allow OPI to pay up to ten one-time stipends of \$3,000 per teacher per year per 20-4-134, MCA, to Montana teachers who achieve certification from the National Board for Professional Teaching Standards. OPI base budget includes \$12,000 per year for these payments.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	(\$114,878)	(\$114,878)
FY 2013	(\$114,878)	(\$114,878)

1.- 55140 - 5% General Fund Reduction -

This decision package reduces state level activities operating budget by \$114,878 in each year of the 2013 biennium as part of the compliance for 17-7-140, MCA, reductions. Consulting and professional services, printing, reference books and materials, minor equipment, non-employee travel, dues, and education grants are all part of the reductions.

-----**New Proposals**-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$115,000	\$0
FY 2013	\$115,000	\$0

1.- 605 - USDA Foods - Commodities -

This request is to increase state special spending authority by \$115,000 each year of the biennium for additional costs of storage and shipping for USDA commodities provided to Montana school districts for breakfast programs. School districts receiving the USDA foods will reimburse the OPI for the cost of warehousing and shipping of the foods.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$1,168,000	\$1,168,000
FY 2013	\$1,168,000	\$1,168,000

1.- 610 - Montana Digital Academy -

This request is for a biennial, general fund appropriation of \$2,336,000 to support ongoing operations of the Montana Digital Academy (MDA).

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$7,600	\$7,600
FY 2013	\$7,600	\$7,600

1.- 650 - National Clearinghouse (Restricted) -

This request for \$7,600 per year is to fund data information access to the National Clearinghouse for student records. This will assist OPI and OCHE to better track student performance, identify areas with student remediation needs, and more accurately track student dropout/transfer rates.

OFFICE OF PUBLIC INSTRUCTION-3501 LOCAL EDUCATION ACTIVITIES-09

09 Local Education Activities
Deputy Superintendent
Dennis Parman x5643

Program Description - The Local Education Activities program is used by OPI to distribute various state and federal funds to local education agencies.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2010	PL Base Adjustment Fiscal 2012	New Proposals Fiscal 2012	Total Exec. Budget Fiscal 2012	PL Base Adjustment Fiscal 2013	New Proposals Fiscal 2013	Total Exec. Budget Fiscal 2013
FTE	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Operating Expenses	1,083,836	23,741	0	1,107,577	36,266	0	1,120,102
Local Assistance	564,594,849	118,340,185	2,833,083	685,768,117	122,022,189	4,243,215	690,860,253
Grants	132,029,203	7,736,980	0	139,766,183	11,386,980	0	143,416,183
Transfers	409,490	0	0	409,490	0	0	409,490
Total Costs	\$698,117,378	\$126,100,906	\$2,833,083	\$827,051,367	\$133,445,435	\$4,243,215	\$835,806,028
General Fund	551,087,188	132,980,423	(44,092,435)	639,975,176	136,674,952	(43,274,662)	644,487,478
State/Other Special	750,000	0	46,925,518	47,675,518	0	47,517,877	48,267,877
Federal Special	146,280,190	(6,879,517)	0	139,400,673	(3,229,517)	0	143,050,673
Total Funds	\$698,117,378	\$126,100,906	\$2,833,083	\$827,051,367	\$133,445,435	\$4,243,215	\$835,806,028

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$13,085,331	\$13,085,331
FY 2013	\$13,085,331	\$13,085,331

PL- 901 - K-12 BASE Aid - Adjust to FY 2011 Funding Level -

This present law adjustment of \$26.17 million general fund for the 2013 biennium brings K-12 funding to the FY 2011 funding level or \$13.09 million per year per (established in 20-9-306, MCA).

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$5,000,000	\$5,000,000
FY 2013	\$5,000,000	\$5,000,000

PL- 902 - At-Risk Payment Restored (Restricted) -

This request for \$10 million general fund in the 2013 biennium is to restore funding for the at-risk student payment found in 20-9-328, MCA.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$10,470,459	\$10,470,459
FY 2013	\$19,099,210	\$19,099,210

PL- 903 - K-12 BASE Aid-Statutory Inflation Incrs (Rst/Bien) -

This request is for \$29.57 million for the present law adjustment for the 2013 biennium. Increasing the basic and per ANB entitlements by 1.90% in FY 2012 and by 1.53% in FY 2013 in accordance with 20-9-326, MCA, requires annual inflation-related adjustments to the basic and per-ANB entitlements. The increase is \$10.47 million in FY 2012 and \$19.10 million in FY 2013.

**OFFICE OF PUBLIC INSTRUCTION-3501
LOCAL EDUCATION ACTIVITIES-09**

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$1,481,605	\$1,481,605
FY 2013	\$1,481,846	\$1,481,846

- 904 - Special Education Maintenance of Effort -

This request is for \$2.9 million in the 2013 biennium to increase special education maintenance of effort to the FY 2011 appropriation level. Federal law requires the state to maintain fiscal effort from year to year in order to receive funds under the Individuals with Disabilities Act (IDEA), Part B. This funding was provided in HB 645 for the 2011 biennium, so the base expenditure was zero. Loss of this maintenance funding would result in an equal loss of federal special education funding for the state under the IDEA program. The request includes increased GTB costs of \$197,158 in FY 2012 and \$197,399 in FY 2013 associated with the state special education appropriation of \$1,284,447 per year.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$789,698	\$789,698
FY 2013	\$1,189,054	\$1,189,054

- 906 - School Block Grants (Rst/Bien) -

Present law (20-9-630 and 632, MCA) provides for an annual 0.76 percent increase in the county transportation and school district block grants. This is a general fund appropriation increase of \$789,698 in FY 2012 and \$1,189,054 in FY 2013.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$200,000	\$200,000
FY 2013	\$300,000	\$300,000

- 907 - Pupil Transportation -

This request funds the state obligation for pupil transportation required under 20-10-145, MCA. The formula-driven reimbursements are expected to increase by \$200,000 in FY 2012 and \$300,000 in FY 2013 over base year FY 2010. This amount is matched by county property taxes.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$11,550	\$11,550
FY 2013	\$17,182	\$17,182

- 910 - School District Audit Filing Fees (Biennial) -

The Office of Public Instruction requests an increase in general fund authority for school district audit filing fees. This increase will allow OPI to pay fees to the Department of Administration as required by 2-7-514(2), MCA. The projection assumes school district revenues, which are the basis for the fees, will increase 3 percent each year. This request includes \$11,550 for FY 2012 and \$17,182 for FY 2013. Base year expenditures were \$185,135. This is a biennial appropriation.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$15,206	\$15,206
FY 2013	\$27,731	\$27,731

- 911 - School Lunch State Matching Requirement -

The National School Lunch Act requires a state revenue match. OPI requests an increase of \$15,206 in FY 2012 and \$27,731 in FY 2013 to meet the matching requirements. This is a biennial total request for \$42,937.

OFFICE OF PUBLIC INSTRUCTION-3501

LOCAL EDUCATION ACTIVITIES-09

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$7,733,960	\$0
FY 2013	\$11,383,960	\$0

PL- 912 - Federal Grant Award Adjustment - Program 09 -

This request will increase and decrease appropriations for K-12 federal grant awards by \$7,733,960 in FY 2012 and \$11,383,960 in FY 2013. Total biennial increase is \$19,117,920. The following federal grant awards are adjusted: School Foods \$3.85 million in FY 2012 and \$6.0 million in FY 2013; IDEA-B \$3.0 million in FY 2012 and \$4.0 million in FY 2013; Title I-School Improvement \$1.0 million in FY 2012 and \$1.5 million in FY 2013; and Character Education is reduced by \$116,040 per year.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	(\$72,585)	(\$72,585)
FY 2013	(\$72,588)	(\$72,588)

PL- 913 - Biennial Appropriations - Program 09 -

This proposal establishes biennial appropriations for adult basic education at \$1.05 million, gifted and talented at \$0.50 million, in-state treatment at \$1.58 million, and reduces Advancing Agricultural Education to \$0.11 million. Adult basic education base is increased \$2 to \$525,000 per year; gifted and talented base is increased \$3,018 to \$250,00 per year; in-state treatment base is increased \$24,040 to \$787,800 per year; and Advancing Agricultural Education is decreased to \$56,250 per year. The total biennial general fund decrease is \$145,173.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$87,385,855	\$87,385,855
FY 2013	\$81,933,879	\$81,933,879

PL- 914 - Guarantee Account -

In FY 2010, the one-time-only bonus paid for the Otter Creek coal lease on common school trust lands generated \$81,552,854.50. This amount offset general fund K-12 BASE aid expenditures in FY 2010. OPI base funding reflects the \$81.55 million in the guarantee account which is moved to the K-12 BASE aid general fund appropriation base in this decision package. An adjustment to the guarantee account is also included in this package to bring the account to the estimated level of funding of \$45,931,484 in FY 2012, and \$51,383,460 in FY 2013.

-----New Proposals-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$945,398	\$945,398
FY 2013	\$1,726,730	\$1,726,730

NP- 952 - Special Education Inflationary Increase -

This decision package funds inflationary increases in the state appropriation for special education after the decision package 904 is approved, of \$2,672,128 for the biennium based on the same inflationary adjustment included for basic and per-ANB entitlements in section 20-9-326, MCA. The adjustment for inflation is \$945,398 (1.9%) for FY 2012 and \$1,726,730 (1.53%) for FY 2013. This proposal would increase the state special education appropriation to \$42.44 million for FY 2012 and \$43.09 million in FY 2013. The estimates of increased GTB costs associated with the state special education appropriation are \$154,099 in FY 2012 and \$286,120 in FY 2013.

OFFICE OF PUBLIC INSTRUCTION-3501

LOCAL EDUCATION ACTIVITIES-09

-----Other Legislation Required to Implement HB2-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$0	(\$8,586,000)
FY 2013	\$0	(\$8,586,000)

20-950 - School Facility Fund Switch (Restricted) -

This decision package would change the source of funding for the school facility reimbursements (20-9-371, MCA) to K-12 schools from the general fund to the facility and technology fund. This change funds the school facility reimbursements at the FY 2010 base level of \$8.586 million each year of the 2013 biennium. This decision package is contingent on passage and approval of LC 360.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$1,887,685	(\$36,451,833)
FY 2013	\$2,516,485	(\$36,415,392)

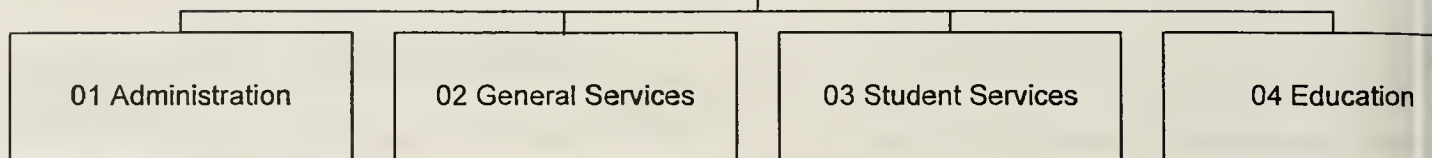
20-951 - Quality Educator Component Fund Switch (Restrict) -

This decision package would increase the quality educator payment (20-9-327, MCA) by the inflationary factor (1.53%) calculated in 20-9-326, MCA, for FY 2013 from \$3,042 to \$3,089 per FTE. The inflationary increase to the payment is \$47,360. Included in the request is a change in funding source for the quality educator payment to K-12 school districts from the general fund to the new state special Teach Montana fund. This change funds the quality educator payment portion of K-12 BASE Aid at \$38.3 million in FY 2012 and \$38.9 million in FY 2013. This request also includes \$1.9 million each year for increased GTB Aid to schools. This decision package is contingent on passage and approval of LC 360.

Language Recommendations - "Decision packages 950 and 951 are contingent on passage and approval of LC 360."

SCHOOL FOR THE DEAF & BLIND-5113

5113 School for the
Deaf and Blind
Steve Gettel 771-6000



Mission Statement - To provide to deaf children and blind children in the state of Montana a quality comprehensive education that will impart the opportunities to enable them to achieve their greatest potential of independence and success; and to serve as a resource center providing information, consultation, technical assistance, and leadership to (1) parents of deaf and/or blind children not yet enrolled in an educational program, (2) to public schools in the state having deaf and/or blind children enrolled, and (3) to organizations and individuals concerned with the provision of services to these children.

Statutory Authority - Title 20, Chapter 8, part 1, MCA.

Agency Proposed Budget							
Budget Item	Base Budget Fiscal 2010	PL Base Adjustment Fiscal 2012	New Proposals Fiscal 2012	Total Exec. Budget Fiscal 2012	PL Base Adjustment Fiscal 2013	New Proposals Fiscal 2013	Total Exec. Budget Fiscal 2013
FTE	88.61	0.00	(1.25)	87.36	0.00	(1.25)	87.36
Personal Services	5,396,578	191,948	(77,275)	5,511,251	194,418	(77,263)	5,513,733
Operating Expenses	881,906	(41,791)	0	840,115	(77,189)	0	804,717
Total Costs	\$6,278,484	\$150,157	(\$77,275)	\$6,351,366	\$117,229	(\$77,263)	\$6,318,450
General Fund	5,865,460	212,393	(77,275)	6,000,578	179,277	(77,263)	5,967,474
State/Other Special	333,818	(65,087)	0	268,731	(64,899)	0	268,919
Federal Special	79,206	2,851	0	82,057	2,851	0	82,057
Total Funds	\$6,278,484	\$150,157	(\$77,275)	\$6,351,366	\$117,229	(\$77,263)	\$6,318,450

SCHOOL FOR THE DEAF & BLIND-5113 ADMINISTRATION PROGRAM-01

01 Administration

Program Description - The Administration Program staff provide purchasing, accounting, personnel functions, and management of business affairs for the school.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2010	PL Base Adjustment Fiscal 2012	New Proposals Fiscal 2012	Total Exec. Budget Fiscal 2012	PL Base Adjustment Fiscal 2013	New Proposals Fiscal 2013	Total Exec. Budget Fiscal 2013
IE	5.00	0.00	0.00	5.00	0.00	0.00	5.00
Personal Services	340,043	(3,052)	0	336,991	(3,878)	0	336,165
Operating Expenses	148,449	(4,516)	0	143,933	(41,628)	0	106,821
Total Costs	\$488,492	(\$7,568)	\$0	\$480,924	(\$45,506)	\$0	\$442,986
General Fund	485,214	(8,048)	0	477,166	(46,174)	0	439,040
State/Other Special	3,278	480	0	3,758	668	0	3,946
Total Funds	\$488,492	(\$7,568)	\$0	\$480,924	(\$45,506)	\$0	\$442,986

SCHOOL FOR THE DEAF & BLIND-5113

GENERAL SERVICES-02

02 General Services

Program Description - The General Services Program staff are responsible for general upkeep and maintenance of the school's eight buildings and 18.5 acre campus.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2010	PL Base Adjustment Fiscal 2012	New Proposals Fiscal 2012	Total Exec. Budget Fiscal 2012	PL Base Adjustment Fiscal 2013	New Proposals Fiscal 2013	Total Exec. Budget Fiscal 2013
FTE	4.00	0.00	0.00	4.00	0.00	0.00	4.00
Personal Services	155,398	10,520	0	165,918	10,953	0	166,351
Operating Expenses	353,369	(23,263)	0	330,106	(22,920)	0	330,449
Total Costs	\$508,767	(\$12,743)	\$0	\$496,024	(\$11,967)	\$0	\$496,800
General Fund	508,767	(12,743)	0	496,024	(11,967)	0	496,800
Total Funds	\$508,767	(\$12,743)	\$0	\$496,024	(\$11,967)	\$0	\$496,800

SCHOOL FOR THE DEAF & BLIND-5113

STUDENT SERVICES-03

03 Student Services

Program Description - The Student Services Program provides residential care for children living at the school.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2010	PL Base Adjustment Fiscal 2012	New Proposals Fiscal 2012	Total Exec. Budget Fiscal 2012	PL Base Adjustment Fiscal 2013	New Proposals Fiscal 2013	Total Exec. Budget Fiscal 2013
E	29.74	0.00	(0.50)	29.24	0.00	(0.50)	29.24
Personal Services	1,166,592	114,748	(20,592)	1,260,748	114,899	(20,612)	1,260,879
Operating Expenses	123,994	409	0	124,403	1,552	0	125,546
Total Costs	\$1,290,586	\$115,157	(\$20,592)	\$1,385,151	\$116,451	(\$20,612)	\$1,386,425
General Fund	1,275,193	115,157	(20,592)	1,369,758	116,451	(20,612)	1,371,032
Federal Special	15,393	0	0	15,393	0	0	15,393
Total Funds	\$1,290,586	\$115,157	(\$20,592)	\$1,385,151	\$116,451	(\$20,612)	\$1,386,425

-----New Proposals-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	(\$20,592)	(\$20,592)
FY 2013	(\$20,612)	(\$20,612)

P- 55400 - 4% Personal Services Reduction -

The Governor has included a 4% reduction in general fund personal services budgets as a part of his budget commendations. MSDB student services program 24/7 cottage positions have been exempted from this reduction. This decision package reduces the student services program by \$20,592 in FY 2012 and \$20,612 in FY 2013 to implement the budget reduction. The reduction includes the elimination of 0.50 FTE.

SCHOOL FOR THE DEAF & BLIND-5113 EDUCATION-04

04 Education

Program Description - The Education Program provides an education for children with hearing and/or sight loss that prevents them from receiving a quality education in their local schools. The Education Program serves visually and hearing impaired children who remain in their local school districts by providing deaf/blind educational support services to the students' local schools. The program also offers "mainstream" programs for on-campus students in a joint effort with the Great Falls public school system. Additionally, pursuant to 20-8-102(3), MCA, the school is charged with the responsibility of tracking a child identified as hearing or visually impaired from the time of impairment identification through the child's exit from intervention or educational services.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2010	PL Base Adjustment Fiscal 2012	New Proposals Fiscal 2012	Total Exec. Budget Fiscal 2012	PL Base Adjustment Fiscal 2013	New Proposals Fiscal 2013	Total Exec. Budget Fiscal 2013
FTE	49.87	0.00	(0.75)	49.12	0.00	(0.75)	49.12
Personal Services	3,734,545	69,732	(56,683)	3,747,594	72,444	(56,651)	3,750,338
Operating Expenses	256,094	(14,421)	0	241,673	(14,193)	0	241,901
Total Costs	\$3,990,639	\$55,311	(\$56,683)	\$3,989,267	\$58,251	(\$56,651)	\$3,992,239
General Fund	3,596,286	118,027	(56,683)	3,657,630	120,967	(56,651)	3,660,602
State/Other Special	330,540	(65,567)	0	264,973	(65,567)	0	264,973
Federal Special	63,813	2,851	0	66,664	2,851	0	66,664
Total Funds	\$3,990,639	\$55,311	(\$56,683)	\$3,989,267	\$58,251	(\$56,651)	\$3,992,239

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$26,938	\$26,938
FY 2013	\$26,938	\$26,938

PL- 1 - Extracurricular Compensation -

The Montana School for the Deaf and Blind pays extracurricular compensation to employees who sponsor after-school activities which are not included in the base budget. Each biennium the school must submit a present law decision package to request funding for this item. This request is the same as was submitted and funded in the 2011 biennium. Extracurricular compensation including benefits total \$26,938 each year.

SCHOOL FOR THE DEAF & BLIND-5113
EDUCATION-04

-----New Proposals-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	(\$56,683)	(\$56,683)
FY 2013	(\$56,651)	(\$56,651)

P- 55400 - 4% Personal Services Reduction -

The Governor has included a 4% reduction in general fund personal services budgets as a part of his budget recommendations. MSDB education program teachers have been exempted from this reduction. This decision package reduces the education program by \$56,683 in FY 2012 and \$56,651 in FY 2013 to implement the budget reduction. The reduction includes the elimination of 0.75 FTE.

MONTANA ARTS COUNCIL-5114

PROMOTION OF THE ARTS-01

5114 Montana Arts Council
Arlynn Fishbaugh x6430

01 Promotion of the Arts

Mission Statement – The Montana Arts Council is the agency of state government established to develop the creative potential of all Montanans, advance education, spur economic vibrancy and revitalize communities through involvement in the arts.

Statutory Authority – 22-2-101-109, MCA.

Program Description – The Montana Arts Council cooperates with public and private institutions engaged in artistic and cultural activities. The council cooperates with public and private institutions engaged in artistic and cultural activities. The council: 1) recommends appropriate methods to encourage participation in and appreciation of the arts; 2) fosters interest in the state's cultural heritage; 3) expands the state's cultural resources; and 4) encourages and assists freedom of artistic expression through ongoing programs and council initiated projects. The council administers the Cultural and Aesthetic Projects Advisory Committee authorized in 22-2-302, MCA. This committee reviews all proposals for cultural and aesthetic project grants and presents its recommendations to the legislature.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2010	PL Base Adjustment Fiscal 2012	New Proposals Fiscal 2012	Total Exec. Budget Fiscal 2012	PL Base Adjustment Fiscal 2013	New Proposals Fiscal 2013	Total Exec. Budget Fiscal 2013
FTE	7.00	0.00	0.00	7.00	0.00	0.00	7.00
Personal Services	580,863	(42,083)	0	538,780	(40,866)	0	539,997
Operating Expenses	243,542	21,600	44,649	309,791	616	44,590	288,748
Grants	449,787	0	162,942	612,729	0	171,526	621,313
Total Costs	\$1,274,192	(\$20,483)	\$207,591	\$1,461,300	(\$40,250)	\$216,116	\$1,450,058
General Fund	465,294	(7,871)	(2,578)	454,845	(16,771)	(3,268)	445,255
State/Other Special	212,426	(9,643)	1,559	204,342	(12,301)	1,778	201,903
Federal Special	596,472	(2,969)	208,610	802,113	(11,178)	217,606	802,900
Total Funds	\$1,274,192	(\$20,483)	\$207,591	\$1,461,300	(\$40,250)	\$216,116	\$1,450,058

-----New Proposals-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$204,793	\$0
FY 2013	\$213,378	\$0

NP- 101 - FEDERAL FUNDS INCREASE -

Federal funds from the National Endowment for the Arts have increased by just over \$200,000 for use primarily in rural Montana and in key arts education programs that help teachers meet state arts standards, in addition to projects geared to save Montana heritage in the traditional arts area. These funds will be utilized for grants and programs to benefit all Montanans and may not be used to supplant other state funding.

MONTANA ARTS COUNCIL-5114 **PROMOTION OF THE ARTS-01**

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$14,149	\$8,773
FY 2013	\$14,090	\$8,084

N - 102 - ARTS PRESENT LAW ADJUSTMENTS -

The Arts Council requests present law adjustments to increase the *State of the Arts* newspaper costs for production, printing, and mailing circulation in the amount of \$2,741 in FY 2012 and \$2,878 in FY 2013; \$2,822 in FY 2012 and \$422 in FY 2013 for computer replacement on a five-year cycle; and \$8,586 in FY 2012 and \$9,790 in FY 2013 for rent increase per the existing ten-year lease. This decision package is funded with general fund, state special revenue, and federal funds totaling \$28,239 for the 2013 biennium.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	(\$11,351)	(\$11,351)
FY 2013	(\$11,352)	(\$11,352)

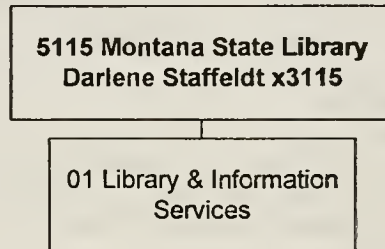
N - 55140 - GOVERNOR'S REDUCTIONS 2013 BIENNIUM -

The 2013 Biennial budget for the Arts Council is reduced by \$22,703 to carry forward 17-7-140, MCA, reductions. There is no reduction from the base budget in the 2011 biennium. The Leadership Institute Online Program grants will be reduced by \$11,351 in FY 2012 and \$11,352 in FY 2013.

MONTANA LIBRARY COMMISSION-5115

STATEWIDE LIBRARY RESOURCES-01

Please note that this agency also contains proprietary funding (see Section P).



Mission Statement - The Montana State Library meets the information needs of Montana government agency management and staff, ensures all Montana citizens have access to information created by their government, support the role of all Montana libraries in delivering quality library content and services to their patrons, works to strengthen local community public libraries, ensures that Montanans who are visually or physically handicapped are provided access to library resources, and measures its successes by its patrons' and partners' successes.

Statutory Authority - Title 22, Chapter 1, and Title 90, Chapter 15, MCA.

Program Description - The State Library operations program provides 1) information services to state government employees and officials; 2) assistance to all public libraries; 3) reading material for all blind and physically handicapped Montana residents; 4) direction to the six library federations and 5) a centralized depository for natural resource information. This program also administers the state documents depository system, and coordinates the development of information resources and library information systems throughout the state. The program also manages the budgetary personnel, and administrative functions of the State Library.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2010	PL Base Adjustment Fiscal 2012	New Proposals Fiscal 2012	Total Exec. Budget Fiscal 2012	PL Base Adjustment Fiscal 2013	New Proposals Fiscal 2013	Total Exec. Budget Fiscal 2013
FTE	30.50	0.00	(1.50)	29.00	0.00	(1.50)	29.00
Personal Services	2,064,578	(257,827)	(67,802)	1,738,949	(256,285)	(67,866)	1,740,427
Operating Expenses	2,069,966	(76,691)	3,600	1,996,875	(93,945)	0	1,976,021
Equipment & Intangible Assets	44,016	0	0	44,016	0	0	44,016
Grants	493,048	863,809	0	1,356,857	(136,191)	0	356,857
Total Costs	\$4,671,608	\$529,291	(\$64,202)	\$5,136,697	(\$486,421)	(\$67,866)	\$4,117,321
General Fund	2,722,517	66,858	(67,802)	2,721,573	51,146	(67,866)	2,705,797
State/Other Special	803,498	0	3,600	807,098	0	0	803,498
Federal Special	1,145,593	462,433	0	1,608,026	(537,567)	0	608,026
Total Funds	\$4,671,608	\$529,291	(\$64,202)	\$5,136,697	(\$486,421)	(\$67,866)	\$4,117,321

MONTANA LIBRARY COMMISSION-5115 STATEWIDE LIBRARY RESOURCES-01

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$803,957	\$0
FY 2013	(\$196,045)	\$0

1 - LSTA GRANTS (Restricted/Biennial) -

Library Services and Technology Act (LSTA) funds are redefined each year. Projects are approved by the Library Commission and based on a five year plan. LSTA grants are requested as a biennial appropriation of \$1.4 million. LSTA federal funding received every year with a two year award cycle.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$500	\$500
FY 2013	\$500	\$500

2 - STANDARD COST ADJUSTMENTS -

The request reestablishes zero-based per diem of \$500 per year for library commissioners and volunteer insurance. Also, the State Aid Interlibrary Loan Reimbursement Program law changed (10.102.4001, ARM) so funds are now distributed 50% to the Montana Shared Catalog and 50% to the Online Computer Library Center (OCLC) contract. No additional funding is requested for this account level change.

-----New Proposals-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$3,600	\$0
FY 2013	\$0	\$0

4 - CONTINUING EDUCATION & CERTIFICATION Biennial/OTO -

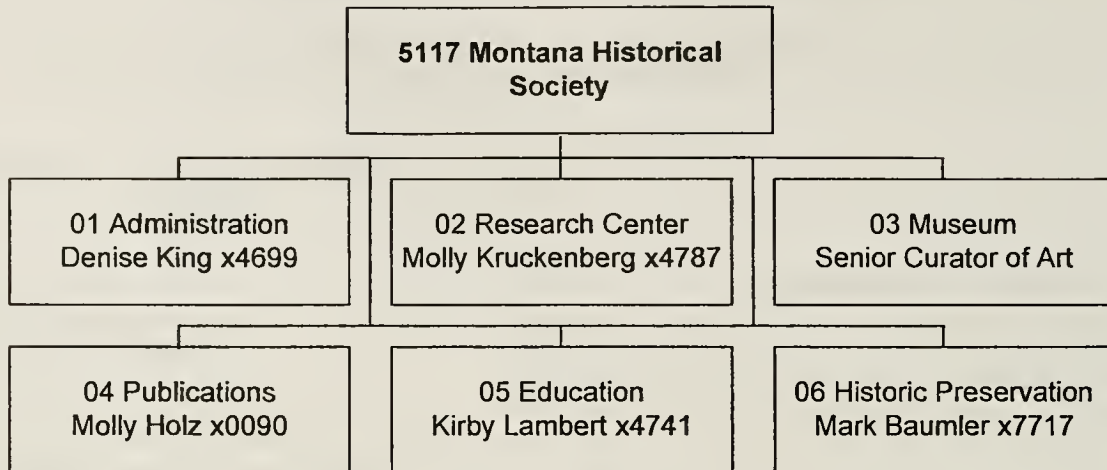
The Montana State Library collected a \$15 fee for enrollment in the certification program. The program has now changed and that a fee will no longer be charged. This is a request to spend the current balance of this account on training and certification activities. This is a one-time-only request for a state special revenue biennial appropriation of \$3,600.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	(\$67,802)	(\$67,802)
FY 2013	(\$67,866)	(\$67,866)

55004 - 4% PERSONAL SERVICES REDUCTION -

The Governor has included a 4% reduction in general fund personal services budgets as a part of his budget recommendations. This decision package reduces the State Library budget by \$67,802 per year in the 2013 biennium to complement the budget reduction. The reduction includes the elimination of 1.50 FTE.

MONTANA HISTORICAL SOCIETY-5117



Mission Statement – To acquire, conserve, and advocate the protection of, provide broad access to, and interpret Montana's varied historical resources, thus promoting—for its citizens and for all others—the use, understanding, appreciation, and enjoyment of those resources.

Statutory Authority – Title 22, Chapter 3, MCA.

Agency Proposed Budget							
Budget Item	Base Budget Fiscal 2010	PL Base Adjustment Fiscal 2012	New Proposals Fiscal 2012	Total Exec. Budget Fiscal 2012	PL Base Adjustment Fiscal 2013	New Proposals Fiscal 2013	Total Exec. Budget Fiscal 2013
FTE	61.14	0.00	(1.31)	59.83	0.00	(1.31)	59.83
Personal Services	2,814,802	414,111	(92,236)	3,136,677	416,039	(92,289)	3,138,552
Operating Expenses	1,242,132	84,610	(33,355)	1,293,387	59,066	(49,355)	1,251,843
Equipment & Intangible Assets	6,954	0	(3,000)	3,954	0	(3,000)	3,954
Grants	88,389	0	0	88,389	0	0	88,389
Transfers	50,503	0	0	50,503	0	0	50,503
Total Costs	\$4,202,780	\$498,721	(\$128,591)	\$4,572,910	\$475,105	(\$144,644)	\$4,533,241
General Fund	2,641,116	376,199	(139,291)	2,878,024	349,296	(155,344)	2,835,068
State/Other Special	90,795	287	0	91,082	287	0	91,082
Federal Special	659,333	101,285	0	760,618	105,985	0	765,318
Proprietary	811,536	20,950	10,700	843,186	19,537	10,700	841,773
Total Funds	\$4,202,780	\$498,721	(\$128,591)	\$4,572,910	\$475,105	(\$144,644)	\$4,533,241

MONTANA HISTORICAL SOCIETY-5117

ADMINISTRATION PROGRAM-01

01 Administration
Denise King x4699

Program Description – The Administration Program provides supervision, administration, and coordination of the six programs in the Montana Historical Society. Program staff are responsible for the management, planning, direction, and leadership of the society. Activities include public information, payroll/personnel, fund raising, financial reporting, business management, security, building management, community outreach, and the society store.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2010	PL Base Adjustment Fiscal 2012	New Proposals Fiscal 2012	Total Exec. Budget Fiscal 2012	PL Base Adjustment Fiscal 2013	New Proposals Fiscal 2013	Total Exec. Budget Fiscal 2013
	17.79	0.00	(0.36)	17.43	0.00	(0.36)	17.43
Personal Services	938,392	23,081	(15,330)	946,143	24,387	(14,541)	948,238
Operating Expenses	542,692	35,717	(22,145)	556,264	758	(22,145)	521,305
Total Costs	\$1,481,084	\$58,798	(\$37,475)	\$1,502,407	\$25,145	(\$36,686)	\$1,469,543
General Fund	930,593	58,511	(37,475)	951,629	24,858	(36,686)	918,765
State/Other Special	90,121	287	0	90,408	287	0	90,408
General Special	100,818	0	0	100,818	0	0	100,818
Proprietary	359,552	0	0	359,552	0	0	359,552
Total Funds	\$1,481,084	\$58,798	(\$37,475)	\$1,502,407	\$25,145	(\$36,686)	\$1,469,543

-----New Proposals-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	(\$15,330)	(\$15,330)
FY 2013	(\$14,541)	(\$14,541)

55004 - 4% Personal Services Reduction -

The Governor has included a 4% reduction in general fund personal services budgets as part of his budget recommendations. This decision package reduces the administrative program by \$15,330 in FY 2012 and \$14,541 in FY 2013 to implement the budget reduction. The reduction includes the elimination of 0.36 FTE.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	(\$22,145)	(\$22,145)
FY 2013	(\$22,145)	(\$22,145)

55140 - 5% General Fund Reduction -

The administrative program is reduced by \$22,145 in each year of the 2013 biennium as part of the compliance for 17-7-0, MCA, reductions. The reductions include staff travel to board meetings, \$2,945, and \$19,200 for computer placement.

MONTANA HISTORICAL SOCIETY-5117 RESEARCH CENTER-02

02 Research Center
Molly Kruckenberg x4787

Program Description - The Research Center Program consists of the library, archives, and photograph archive functions. This program acquires, organizes, preserves, makes accessible to the public, and assists researchers with published materials, historic records and manuscripts, photographs and related media, and oral histories illustrative of the history of Montana and the surrounding region. By statute, this program houses the official archives of state government.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2010	PL Base Adjustment Fiscal 2012	New Proposals Fiscal 2012	Total Exec. Budget Fiscal 2012	PL Base Adjustment Fiscal 2013	New Proposals Fiscal 2013	Total Exec. Budget Fiscal 2013
FTE	14.75	0.00	0.00	14.75	0.00	0.00	14.75
Personal Services	772,924	19,519	0	792,443	19,585	0	792,509
Operating Expenses	293,602	11,340	(27,210)	277,732	12,486	(27,210)	278,878
Equipment & Intangible Assets	6,954	0	(3,000)	3,954	0	(3,000)	3,954
Total Costs	\$1,073,480	\$30,859	(\$30,210)	\$1,074,129	\$32,071	(\$30,210)	\$1,075,341
General Fund	1,003,826	30,859	(30,210)	1,004,475	32,071	(30,210)	1,005,687
Proprietary	69,654	0	0	69,654	0	0	69,654
Total Funds	\$1,073,480	\$30,859	(\$30,210)	\$1,074,129	\$32,071	(\$30,210)	\$1,075,341

-----New Proposals-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	(\$30,210)	(\$30,210)
FY 2013	(\$30,210)	(\$30,210)

NP- 55140 - 5% General Fund Reduction -

The research program is reduced by \$30,210 in each year of the 2013 biennium as part of the compliance for 17-7-140 MCA, reductions. The reductions include \$21,500 per year for subscriptions to microfilm copies of daily newspapers; \$4,000 per year to reduce microfilming of non-daily Montana newspapers; and \$4,710 for subscriptions to journals, books, maps, and reference materials.

MONTANA HISTORICAL SOCIETY-5117

MUSEUM PROGRAM-03

03 Museum
Senior Curator of Art

Program Description - The Museum Program collects, preserves, and interprets the history of Montana through its material culture, collecting fine arts and historical, archaeological, and ethnological artifacts from Montana and the general geographic region. The program interprets its collections through exhibits, tours, and traveling exhibits. The program also coordinates with the society's Education program to orchestrate events, programs, and materials on Montana history for learners of all ages.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2010	PL Base Adjustment Fiscal 2012	New Proposals Fiscal 2012	Total Exec. Budget Fiscal 2012	PL Base Adjustment Fiscal 2013	New Proposals Fiscal 2013	Total Exec. Budget Fiscal 2013
	9.00	0.00	(0.95)	8.05	0.00	(0.95)	8.05
Personal Services	319,492	126,483	(76,906)	369,069	126,983	(77,748)	368,727
Operating Expenses	85,985	2,775	16,000	104,760	2,955	0	88,940
Total Costs	\$405,477	\$129,258	(\$60,906)	\$473,829	\$129,938	(\$77,748)	\$457,667
General Fund	392,172	129,258	(60,906)	460,524	129,938	(77,748)	444,362
State/Other Special	674	0	0	674	0	0	674
Proprietary	12,631	0	0	12,631	0	0	12,631
Total Funds	\$405,477	\$129,258	(\$60,906)	\$473,829	\$129,938	(\$77,748)	\$457,667

-----New Proposals-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$16,000	\$16,000
FY 2013	\$0	\$0

P- 101 - Historic Structures Report - OTO (Restricted) -

This request would provide for a Historical Structures Report (HSR) for the Original Governor's Mansion. A historic architect will identify and document the current physical condition of the structure including examination and assessment of the exterior and interior building fabric (masonry and stone, mortar joints, plaster and lathe, woodwork, etc.), roofing, windows, HVAC/mechanical and electrical systems, past repairs, etc. This is a one-time-only \$16,000 general fund expenditure.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	(\$76,906)	(\$76,906)
FY 2013	(\$77,748)	(\$77,748)

P- 55004 - 4% Personal Services Reduction -

The Governor has included a 4% reduction in general fund personal services budgets as a part of his budget recommendations. This decision package reduces the museum program by \$76,906 in FY 2012 and \$77,748 in FY 2013 to implement the budget reduction. The reduction includes the elimination of 0.95 FTE.

MONTANA HISTORICAL SOCIETY-5117 PUBLICATIONS PROGRAM-04

04 Publications
Molly Holz x0090

Program Description - The Publications Program promotes the study of Montana history and education through lectures, publications, and curriculum materials. The program publishes quarterly editions of the award-winning *Montana The Magazine of Western History*. It also publishes books under the Montana Historical Society Press imprint.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2010	PL Base Adjustment Fiscal 2012	New Proposals Fiscal 2012	Total Exec. Budget Fiscal 2012	PL Base Adjustment Fiscal 2013	New Proposals Fiscal 2013	Total Exec. Budget Fiscal 2013
FTE	5.00	0.00	0.00	5.00	0.00	0.00	5.00
Personal Services	249,932	9,735	0	259,667	9,327	0	259,259
Operating Expenses	172,896	7,566	0	180,462	8,340	0	181,236
Transfers	50,503	0	0	50,503	0	0	50,503
Total Costs	\$473,331	\$17,301	\$0	\$490,632	\$17,667	\$0	\$490,998
General Fund	141,653	(1,606)	0	140,047	173	0	141,826
Proprietary	331,678	18,907	0	350,585	17,494	0	349,172
Total Funds	\$473,331	\$17,301	\$0	\$490,632	\$17,667	\$0	\$490,998

MONTANA HISTORICAL SOCIETY-5117

EDUCATION PROGRAM-05

05 Education
Kirby Lambert x4741

Program Description - The Education Program is comprised of three primary activities: Outreach and Interpretation, Historic Signs, and the Volunteer Program. The Outreach and Interpretation Program provides educational public programming of all types, both at the society's headquarters and throughout the state, for a wide range of audiences; plans and produces educational publications, curriculum materials, and instructional literature for broad distribution; plans and produces interpretive, place-based publications, articles, brochures, and tours for statewide distribution/implementation; oversees the National Register Sign Program for the State of Montana, producing interpretive signage for eligible structures and sites in all parts of the state; assists in the planning, production, and placement of non-Register signage in all parts of the state; assists in the planning, production, and distribution of interpretive permanent, temporary, provides reference services to the general public, teachers, students, technical users, and other like-minded institutions and organizations; and oversees the society's volunteer program, coordinating volunteers, and volunteer activities society-wide.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2010	PL Base Adjustment Fiscal 2012	New Proposals Fiscal 2012	Total Exec. Budget Fiscal 2012	PL Base Adjustment Fiscal 2013	New Proposals Fiscal 2013	Total Exec. Budget Fiscal 2013
E	5.85	0.00	0.00	5.85	0.00	0.00	5.85
Personal Services	126,631	161,278	0	287,909	161,110	0	287,741
Operating Expenses	37,615	856	0	38,471	897	0	38,512
Total Costs	\$164,246	\$162,134	\$0	\$326,380	\$162,007	\$0	\$326,253
General Fund	130,169	162,134	0	292,303	162,007	0	292,176
Proprietary	34,077	0	0	34,077	0	0	34,077
Total Funds	\$164,246	\$162,134	\$0	\$326,380	\$162,007	\$0	\$326,253

MONTANA HISTORICAL SOCIETY-5117 HISTORIC PRESERVATION PROGRAM-06

06 Historic Preservation
Mark Baumler x7717

Program Description - The Historic Sites Preservation Program (State Historic Preservation Office) administers the Montana Antiquities Act (MCA 22-3-421; ARM 10.121.901) and Montana's participation in the National Historic Preservation Act of 1966, as amended, with its federal programs, guidelines, and grants-in-aid for historic preservation. Staff provide technical assistance to all Montana property owners, including agencies, organizations, and the public. Staff maintains a statewide inventory of recorded historic and archaeological sites. Staff reviews state agency compliance with state antiquities act. Staff review and comment on all proposed federally funded or permitted projects within the state to determine their effect on properties listed or eligible for listing in the National Register of Historic Places. Staff administers the National Register of Historic Places program in Montana through the state preservation review board. The office recommends certification of historic structures and rehabilitation projects for federal tax credits to citizens and businesses, as authorized by the Tax Reform Act of 1976. The program awards and administers pass through federal grants to local governments participating in the federal Certified Local Government Program. The program may also award funds for historic survey and planning for historic areas and for bricks and mortar rehabilitation when funds are available.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2010	PL Base Adjustment Fiscal 2012	New Proposals Fiscal 2012	Total Exec. Budget Fiscal 2012	PL Base Adjustment Fiscal 2013	New Proposals Fiscal 2013	Total Exec. Budget Fiscal 2013
FTE	8.75	0.00	0.00	8.75	0.00	0.00	8.75
Personal Services	407,431	74,015	0	481,446	74,647	0	482,078
Operating Expenses	109,342	26,356	0	135,698	33,630	0	142,972
Grants	88,389	0	0	88,389	0	0	88,389
Total Costs	\$605,162	\$100,371	\$0	\$705,533	\$108,277	\$0	\$713,439
General Fund	42,703	(2,957)	(10,700)	29,046	249	(10,700)	32,252
Federal Special	558,515	101,285	0	659,800	105,985	0	664,500
Proprietary	3,944	2,043	10,700	16,687	2,043	10,700	16,687
Total Funds	\$605,162	\$100,371	\$0	\$705,533	\$108,277	\$0	\$713,439

-----New Proposals-----

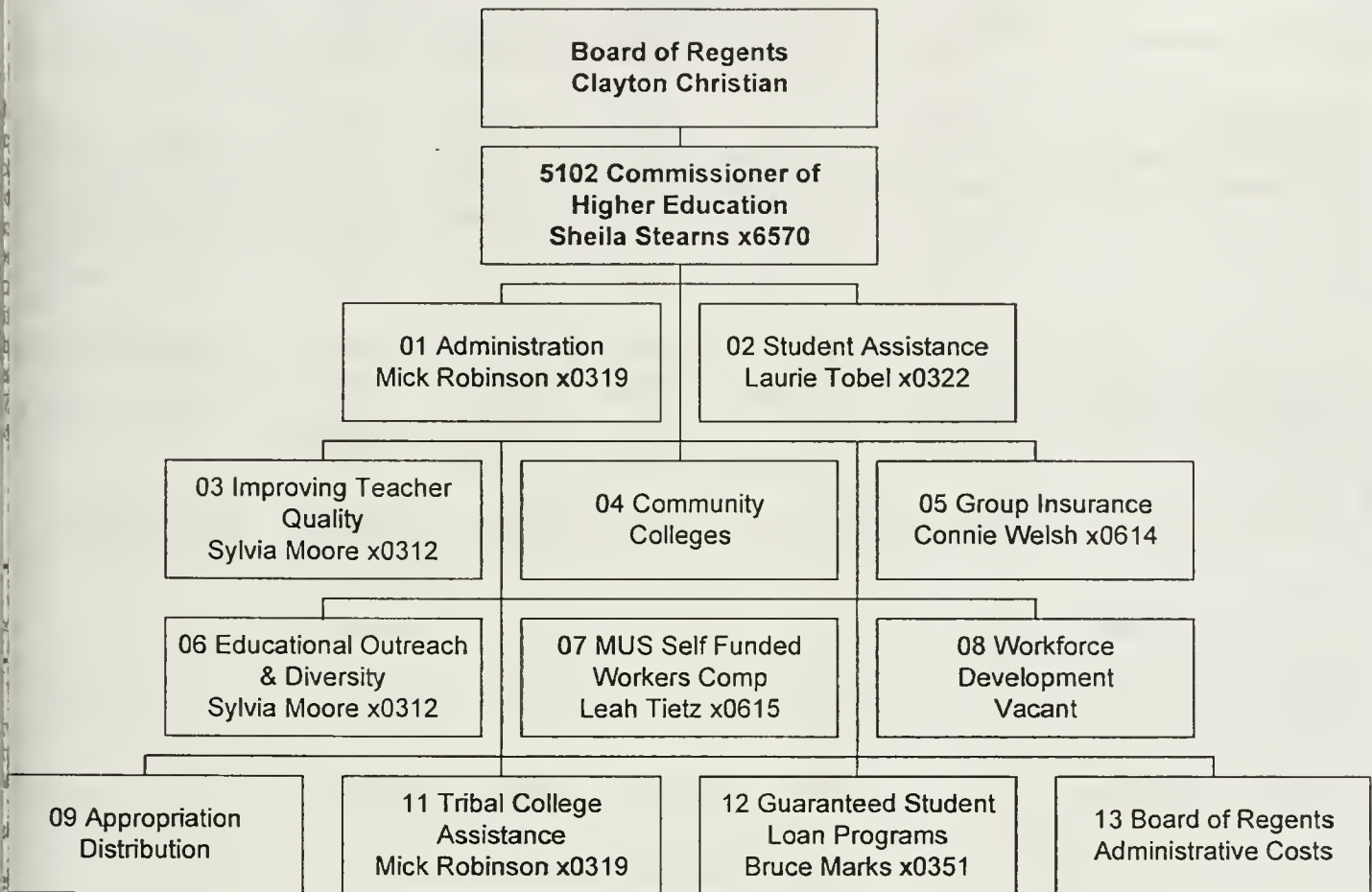
	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$0	(\$10,700)
FY 2013	\$0	(\$10,700)

NP- 55140 - 5% General Fund Reduction -

The historic preservation program general fund is reduced by \$10,700 in each year of the 2013 biennium as part of the compliance for 17-7-140, MCA, reductions. The agency will pay these expenditures with proprietary funds.

COMMISSIONER OF HIGHER EDUCATION-5102

Please note that this agency also contains proprietary funding (see Section P).



Mission Statement - To serve students through the delivery of high quality, accessible postsecondary educational opportunities, while actively participating in the preservation and advancement of Montana's economy and society.

Statutory Authority - Article X, Section 9, Montana Constitution and 2-15-1506, MCA

Language - "Program 9 includes a reduction of \$2,212,550 general fund in FY 2012 and \$2,212,939 in FY 2013 to implement the 4% general fund personal services reduction. The Board of Regents must supply the Office of Budget and Program Planning and the Legislative Fiscal Division a list of the position numbers and FTE by campus and/or agency associated with the reduction by no later than August 1, 2011."

The executive recommends additional language in HB 2, but it is not printed in this book for space considerations.

COMMISSIONER OF HIGHER EDUCATION-5102

Agency Proposed Budget							
Budget Item	Base Budget Fiscal 2010	PL Base Adjustment Fiscal 2012	New Proposals Fiscal 2012	Total Exec. Budget Fiscal 2012	PL Base Adjustment Fiscal 2013	New Proposals Fiscal 2013	Total Exec. Budget Fiscal 2013
FTE	104.05	(9.20)	(0.97)	93.88	(9.20)	(0.97)	93.88
Personal Services	5,405,153	559,991	(90,798)	5,874,346	578,862	(90,702)	5,893,310
Operating Expenses	5,047,869	148,925	151,916	5,348,710	86,051	104,716	5,238,636
Equipment & Intangible Assets	0	10,000	0	10,000	0	0	0
Local Assistance	8,687,831	90,565	2,716,039	11,494,435	70,000	2,666,562	11,424,393
Grants	16,202,303	2,540,282	750,083	19,492,668	2,190,448	789,083	19,181,834
Benefits & Claims	25,813,316	6,500,000	0	32,313,316	13,000,000	0	38,813,316
Transfers	179,030,609	11,368,862	1,502,546	191,902,017	12,583,105	3,842,157	195,455,871
Debt Service	43,480	0	0	43,480	0	0	43,480
Total Costs	\$240,230,561	\$21,218,625	\$5,029,786	\$266,478,972	\$28,508,466	\$7,311,816	\$276,050,843
General Fund	147,531,701	42,310,204	3,898,036	193,739,941	42,337,731	6,188,266	196,057,698
State/Other Special	19,535,696	291,323	0	19,827,019	1,738,762	0	21,274,458
Federal Special	73,082,748	(21,376,865)	1,131,750	52,837,633	(15,562,033)	1,123,550	58,644,265
Proprietary	80,416	(6,037)	0	74,379	(5,994)	0	74,422
Total Funds	\$240,230,561	\$21,218,625	\$5,029,786	\$266,478,972	\$28,508,466	\$7,311,816	\$276,050,843

COMMISSIONER OF HIGHER EDUCATION-5102 ADMINISTRATION PROGRAM-01

01 Administration
 Mick Robinson x0319

Program Description - The administration program includes: 1) general administration of the university system, 2) academic, financial, and legal administration, 3) labor relations and personnel administration, and 4) student assistance administration. Article X, Section 9, of the Montana Constitution requires that the Board of Regents appoints the Commissioner and prescribes his powers and duties.

Program Proposed Budget	Base Budget Fiscal 2010	PL Base Adjustment Fiscal 2012	New Proposals Fiscal 2012	Total Exec. Budget Fiscal 2012	PL Base Adjustment Fiscal 2013	New Proposals Fiscal 2013	Total Exec. Budget Fiscal 2013
Budget Item							
	23.40	0.00	(0.97)	22.43	0.00	(0.97)	22.43
Personal Services	2,083,366	96,035	(90,798)	2,088,603	93,857	(90,702)	2,086,521
Operating Expenses	700,654	28,078	0	728,732	(23,038)	0	677,616
Equipment & Intangible Assets	0	10,000	0	10,000	0	0	0
Transfers	35,500	0	0	35,500	0	0	35,500
Total Costs	\$2,819,520	\$134,113	(\$90,798)	\$2,862,835	\$70,819	(\$90,702)	\$2,799,637
General Fund	2,309,441	123,539	(90,798)	2,342,182	59,939	(90,702)	2,278,678
General Special	429,663	16,611	0	446,274	16,874	0	446,537
Proprietary	80,416	(6,037)	0	74,379	(5,994)	0	74,422
Total Funds	\$2,819,520	\$134,113	(\$90,798)	\$2,862,835	\$70,819	(\$90,702)	\$2,799,637

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$16,100	\$16,100
FY 2013	\$8,008	\$8,008

- 101 - Program 01 Operating Adjustment -

The budget includes additional general fund for increased rent and information technology support. Rent is scheduled to increase \$1,870 in FY 2012 and \$3,778 in FY 2013. OCHE requests additional funding for the increase of bandwidth and replacement servers in support of the computer infrastructure. ITSD will increase bandwidth at a cost of \$4,230 per year and the replacement servers needed to house data warehouses and other OCHE operations are estimated at \$10,000 for the 2013 biennium.

**COMMISSIONER OF HIGHER EDUCATION-5102
ADMINISTRATION PROGRAM-01**

-----**New Proposals**-----

	<u>Total Agency Impact</u>	<u>General Fund Tot</u>
FY 2012	(\$90,798)	(\$90,798)
FY 2013	(\$90,702)	(\$90,702)

NP- 55400 - 4% Personal Services reduction -

The Governor has included a 4% reduction in general fund personal services budgets as a part of his budget recommendations. This decision package reduces the Administration program by \$90,798 in FY 2012 and \$90,702 in FY 2013 to implement the budget reduction. The reduction includes the elimination of 0.97 FTE.

COMMISSIONER OF HIGHER EDUCATION-5102

STUDENT ASSISTANCE PROGRAM-02

02 Student Assistance
 Laurie Tobol x0322

Program Description - This program includes all student grant funding. Types of grants include: work study, state grants, federal grant matching programs, and student grants for attending professional schools which are not available in Montana such as medicine, dentistry, and veterinary medicine. Title 20, Chapters 25 and 26, MCA, govern the program.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2010	PL Base Adjustment Fiscal 2012	New Proposals Fiscal 2012	Total Exec. Budget Fiscal 2012	PL Base Adjustment Fiscal 2013	New Proposals Fiscal 2013	Total Exec. Budget Fiscal 2013
E	1.50	0.00	0.00	1.50	0.00	0.00	1.50
Personal Services	93,243	18,588	0	111,831	18,466	0	111,709
Operating Expenses	48,332	5	0	48,337	10	0	48,342
Financial Assistance	125,000	0	0	125,000	0	0	125,000
Grants	12,170,406	945,282	250,000	13,365,688	1,290,448	250,000	13,710,854
Total Costs	\$12,436,981	\$963,875	\$250,000	\$13,650,856	\$1,308,924	\$250,000	\$13,995,905
General Fund	12,145,759	962,763	(625,800)	12,482,722	1,307,883	(625,800)	12,827,842
State/Other Special	100,783	1,112	0	101,895	1,041	0	101,824
Federal Special	190,439	0	875,800	1,066,239	0	875,800	1,066,239
Total Funds	\$12,436,981	\$963,875	\$250,000	\$13,650,856	\$1,308,924	\$250,000	\$13,995,905

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$362,036	\$362,036
FY 2013	\$464,202	\$464,202

- 201 - WICHE/WWAMI/MN Dental -

The executive recommends an additional \$362,036 in FY 2012 and \$464,202 in FY 2013 of general fund for first year students and continuing students at anticipated tuition levels in WICHE, WWAMI, and MN Dental professional student exchange programs.

WICHE/WWAMI/MN Dental:								
Program	Base Budget FY 2010	PL Base Adjustments FY 2012	New Proposals FY 2012	Total Ex. Budget FY 2012	PL Base Adjustments FY 2013	New Proposals FY 2013	Total Ex. Budget FY 2013	Biennial Total
WICHE	2,234,467	153,467	-	2,387,934	90,233	-	2,330,700	4,718,634
WWAMI	2,916,631	204,569	-	3,121,200	344,969	-	3,261,600	6,382,800
MN Dentistry	88,000	4,000	-	92,000	29,000	-	117,000	209,000
Total	\$5,239,098	\$362,036	-	\$5,601,134	\$464,202	-	\$5,709,300	\$11,310,434

COMMISSIONER OF HIGHER EDUCATION-5102 STUDENT ASSISTANCE PROGRAM-02

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$107,000	\$107,000
FY 2013	\$107,000	\$107,000

PL- 202 - Governor's Post Secondary Scholarship Program -

This proposal restores the general fund appropriation to \$5,000,000 for scholarships to be awarded to Montana's Best and Brightest students in three categories; merit, merit-at-large, and need-based. The merit scholarship is awarded to one high school student at every Montana high school. The merit -at-large scholarship is awarded to applicants who are meritorious, well-written and involved in their community. The need based scholarship is awarded to students demonstrating need, in academic categories, as determined by the Commissioner of Higher Education. The scholarships are renewable and can be used at a two-year or four-year institution in Montana.

Governor's Best & Brightest - Number of Scholarships Awarded				
Award Type	2010	2011	2012	2013
Merit-at-Large	234	166	167	170
Merit-High School	608	531	532	520
Subtotal	842	697	699	690
Need	927	1113	1102	1100
Total Scholarships Awarded	1769	1810	1801	1800

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$476,246	\$476,246
FY 2013	\$719,246	\$719,246

PL- 203 - Quality Educator Loan Forgiveness -

This decision package requests \$476,246 in FY 2012 and \$719,246 in FY 2013 which will support the current pipeline of students, anticipating the return of those to be awarded in FY 2011, and allows the Board of Regents to provide 100+ teachers loan assistance in FY 2012 and 100+ teachers in FY 2013.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$33,284	\$33,284
FY 2013	\$33,284	\$33,284

PL- 204 - GSL Reimbursement -

The budget includes \$66,568 for the 2013 biennium for estimated costs to be paid to the MT Guaranteed Student Loan Program (MTGSLP), where administrative support is provided for a number of student assistance programs, including the High School Honors Fee Waiver, the Governor's Postsecondary Scholarship Program, the Montana Higher Education Grant, and the Baker Grant.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$17,251	\$0
FY 2013	\$17,251	\$0

PL- 205 - Family Education Savings Plan -

This request restores funding for personal services related to the administration of the Family Education Savings Plan. The position is reflected as vacant for snapshot purposes and as a result it is underfunded. In order to accurately reflect actual personal services costs for the position, an increase of \$17,251 in FY 2012 and FY 2013 is requested.

COMMISSIONER OF HIGHER EDUCATION-5102 **STUDENT ASSISTANCE PROGRAM-02**

-----New Proposals-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$250,000	\$250,000
FY 2013	\$250,000	\$250,000

NP- 207 - Dual Enrollment -

The executive recommends \$250,000 of general fund each year of the 2013 biennium for tuition mitigation and scholarships. Funding is contingent upon development of common tuition and fee structures across the Montana University System for dual enrollment courses.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$0	(\$875,800)
FY 2013	\$0	(\$875,800)

NP- 55140 - Carry forward FY 11 17-7-140 reductions -

This decision package carries forward \$875,800 of general fund reductions made in FY 2011 to meet 17-7-140, MCA 17-7-140. The executive recommends a fund switch from state general fund to guaranteed student loan admin fund (03400) in lieu of a \$600,000 reduction to Quality Educator Loan Program and a \$275,800 reduction to UICHE/WWAMI/MN Dental program each year of the 2013 biennium.

Language Recommendations - Funding for Dual Enrollment (NP-207) is contingent upon development of common tuition and fee structures across the Montana University System.

COMMISSIONER OF HIGHER EDUCATION-5102 IMPROVING TEACHER QUALITY-03

03 Improving Teacher Quality
 Sylvia Moore x0312

Program Description - This program is a federal grant program aimed at upgrading teaching skills of teachers in math and science.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2010	PL Base Adjustment Fiscal 2012	New Proposals Fiscal 2012	Total Exec. Budget Fiscal 2012	PL Base Adjustment Fiscal 2013	New Proposals Fiscal 2013	Total Exec. Budget Fiscal 2013
FTE	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Personal Services	16,350	(1,350)	0	15,000	13,650	0	30,000
Operating Expenses	1,049	2,001	0	3,050	4,001	0	5,050
Grants	221,510	0	0	221,510	0	0	221,510
Total Costs	\$238,909	\$651	\$0	\$239,560	\$17,651	\$0	\$256,560
Federal Special	238,909	651	0	239,560	17,651	0	256,560
Total Funds	\$238,909	\$651	\$0	\$239,560	\$17,651	\$0	\$256,560

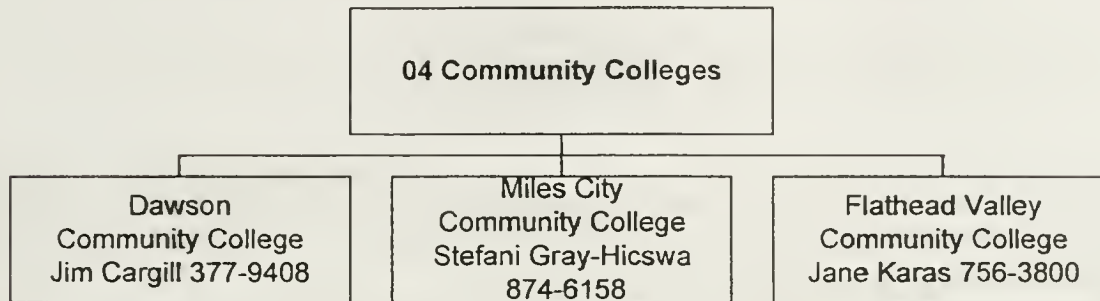
-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$17,000	\$0
FY 2013	\$34,000	\$0

PL- 301 - Improving Teacher Quality -

This proposal adds \$17,000 federal authority in FY 2012 and \$34,000 federal authority in FY 2013 for an anticipated increase in federal grant funds for programs to improve teacher quality.

COMMISSIONER OF HIGHER EDUCATION-5102 COMMUNITY COLLEGE ASSISTANCE-04



Program Description - This program distributes funds appropriated by the Legislature in support of the three community colleges: Miles Community College, Dawson Community College and Flathead Valley Community College. Each community college district has an elected board of trustees. The regents have statutory authority to control the community colleges in Title 20, Chapter 15, MCA.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2010	PL Base Adjustment Fiscal 2012	New Proposals Fiscal 2012	Total Exec. Budget Fiscal 2012	PL Base Adjustment Fiscal 2013	New Proposals Fiscal 2013	Total Exec. Budget Fiscal 2013
FE	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Local Assistance	8,562,831	90,565	2,716,039	11,369,435	70,000	2,666,562	11,299,393
Total Costs	\$8,562,831	\$90,565	\$2,716,039	\$11,369,435	\$70,000	\$2,666,562	\$11,299,393
General Fund	8,562,831	90,565	2,716,039	11,369,435	70,000	2,666,562	11,299,393
Total Funds	\$8,562,831	\$90,565	\$2,716,039	\$11,369,435	\$70,000	\$2,666,562	\$11,299,393

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$20,565	\$20,565
FY 2013	\$0	\$0

L- 402 - Community College Audit Costs -

This decision package requests the state funding percentage allocated to community college audit costs. Historically, the legislature has funded these costs at the same percentage share as the base budget for FY 2012; 50.8%. FY 2012 audit costs are split \$6,628 to Dawson Community College, \$7,309 to Flathead Community College, and \$6,628 to Miles Community College.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$70,000	\$70,000
FY 2013	\$70,000	\$70,000

L- 403 - Community College Banner Support -

The executive recommends \$35,000 per year for the 2013 biennium for Dawson Community College and \$35,000 per year for Miles Community College in support of maintenance, implementation, and reporting of the Banner Management Information System.

**COMMISSIONER OF HIGHER EDUCATION-5102
COMMUNITY COLLEGE ASSISTANCE-04**

-----New Proposals-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$2,781,848	\$2,781,848
FY 2013	\$2,732,371	\$2,732,371

NP- 401 - Community College Assistance Base Budget Request -

This proposal updates enrollment projections for the 2013 biennium. The state share of 50.8% of the cost of education for FY 2012 and FY 2013 is \$3,925 and \$3,980 respectively per resident student FTE.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	(\$65,809)	(\$65,809)
FY 2013	(\$65,809)	(\$65,809)

NP- 55140 - Carry Forward FY 11 17-7-140 reductions -

This decision package increases the allocation of 17-7-140, MCA, reductions to the community colleges that were limited in FY 2010 due to the State Fiscal Stabilization Fund maintenance of effort. Reductions are allocated as follows \$12,298 to Dawson Community College, \$37,347 to Flathead Valley Community College, and \$16,164 to Miles Community College each year of the 2013 biennium.

The following table summarizes the increases in state funding for each campus.

Community College Assistance:							
Proposed Budget Budget Item	Base Budget FY 2010	PL Base Adjustments FY 2012	New Proposals FY 2012	Total Ex. Budget FY 2012	PL Base Adjustments FY 2013	New Proposals FY 2013	Total Ex. Budget FY 2013
Flathead Valley Community College	4,940,910	7,309	2,227,809	7,176,028	-	2,180,235	7,121,145
Dawson Community College	1,537,986	41,628	262,242	1,841,856	35,000	260,339	1,833,325
Miles Community College	2,083,935	41,628	225,988	2,351,551	35,000	225,988	2,344,923
Grand Total Program 04	\$8,562,831	\$90,565	\$2,716,039	\$11,369,435	\$70,000	\$2,666,562	\$11,299,393

COMMISSIONER OF HIGHER EDUCATION-5102 EDUCATIONAL OUTREACH & DIVERSITY-06

**06 Educational Outreach
& Diversity
Sylvia Moore x0312**

Program Description - This program is primarily a federally-funded program to decrease the dropout rate of disadvantaged students in high schools and increase their enrollment and retention in post-secondary education.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2010	PL Base Adjustment Fiscal 2012	New Proposals Fiscal 2012	Total Exec. Budget Fiscal 2012	PL Base Adjustment Fiscal 2013	New Proposals Fiscal 2013	Total Exec. Budget Fiscal 2013
Base	19.95	0.00	0.00	19.95	0.00	0.00	19.95
Personal Services	848,027	183,100	0	1,031,127	182,766	0	1,030,793
Operating Expenses	669,261	104,111	0	773,372	104,525	0	773,786
Grants	1,059,267	1,595,000	0	2,654,267	900,000	0	1,959,267
Transfers	1,400,000	900,000	0	2,300,000	900,000	0	2,300,000
Total Costs	\$3,976,555	\$2,782,211	\$0	\$6,758,766	\$2,087,291	\$0	\$6,063,846
General Fund	69,723	(978)	0	68,745	(1,139)	0	68,584
Federal Special	3,906,832	2,783,189	0	6,690,021	2,088,430	0	5,995,262
Total Funds	\$3,976,555	\$2,782,211	\$0	\$6,758,766	\$2,087,291	\$0	\$6,063,846

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$7,987	\$0
FY 2013	\$8,452	\$0

- 600 - Rent Increase -

This decision package increases federal authority by \$7,987 in FY 2012 and \$8,452 in FY 2013 to cover the rent increase allocated to the federal programs.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$2,595,000	\$0
FY 2013	\$1,900,000	\$0

- 601 - GEAR UP- Federal Authority -

The budget includes \$2,595,000 in FY 2012 and \$1,900,000 in FY 2013 of additional federal authority necessary to implement GEAR UP programs. The GEAR UP grant has carry over funding that must be spent in FY 2012. The program is funded entirely with federal funds and is limited by the amount of the federal awards and approved carryover funds.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	(\$1,452)	(\$1,452)
FY 2013	(\$1,452)	(\$1,452)

- 602 - Continuation of 2% Reduction - 2009 Session -

In accordance with 17-7-102 (10)(b), MCA, this decision package is necessary to continue the 2% general fund reduction from the 2009 session that was taken out of personal services by the agency. Operating expenditures will be reduced by \$1,452 each year of the 2013 biennium.

COMMISSIONER OF HIGHER EDUCATION-5102 **WORK FORCE DEVELOPMENT PROGRAM-08**

08 Workforce Development
Vacant

Program Description - The OCHE and the Office of Public Instruction coordinate the primarily federal efforts to support vocational education at the secondary and post-secondary levels.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2010	PL Base Adjustment Fiscal 2012	New Proposals Fiscal 2012	Total Exec. Budget Fiscal 2012	PL Base Adjustment Fiscal 2013	New Proposals Fiscal 2013	Total Exec. Budget Fiscal 2013
FTE	5.00	0.00	0.00	5.00	0.00	0.00	5.00
Personal Services	250,332	125,332	0	375,664	125,010	0	375,342
Operating Expenses	142,726	8,048	156,950	307,724	8,570	109,750	261,046
Grants	2,310,118	0	99,000	2,409,118	0	138,000	2,448,118
Transfers	3,270,747	0	0	3,270,747	0	0	3,270,747
Total Costs	\$5,973,923	\$133,380	\$255,950	\$6,363,253	\$133,580	\$247,750	\$6,355,253
General Fund	90,063	4	0	90,067	4	0	90,067
Federal Special	5,883,860	133,376	255,950	6,273,186	133,576	247,750	6,265,186
Total Funds	\$5,973,923	\$133,380	\$255,950	\$6,363,253	\$133,580	\$247,750	\$6,355,253

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$8,068	\$0
FY 2013	\$8,618	\$0

PL- 800 - Rent Increase -

This decision package increases federal authority by \$8,068 in FY 2012 and \$8,618 in FY 2013 to cover the rent increase allocated to the Perkins federal program.

-----New Proposals-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$255,950	\$0
FY 2013	\$247,750	\$0

NP- 801 - Paving the Way - New Federal Authority -

The budget includes \$255,950 in FY 2012 and \$247,750 in FY 2013 of federal special revenue to promote rigorous career and technical program of study under the federal Carl D. Perkins Program.

COMMISSIONER OF HIGHER EDUCATION-5102

APPROPRIATION DISTRIBUTION-09

**09 Appropriation
Distribution**

Program Description - The Appropriation Distribution Program in the Office of the Commissioner of Higher Education (OCHE) is the conduit through which state funds flow to: 1) the university system units and colleges of technology and other campus related appropriations, and 2) the research/public service agencies.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2010	PL Base Adjustment Fiscal 2012	New Proposals Fiscal 2012	Total Exec. Budget Fiscal 2012	PL Base Adjustment Fiscal 2013	New Proposals Fiscal 2013	Total Exec. Budget Fiscal 2013
E	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Personal Services	0	0	0	0	0	0	0
Transfers	174,252,684	10,468,862	1,502,546	186,224,092	11,683,105	3,842,157	189,777,946
Total Costs	\$174,252,684	\$10,468,862	\$1,502,546	\$186,224,092	\$11,683,105	\$3,842,157	\$189,777,946
General Fund	123,863,811	41,132,611	1,502,546	166,498,968	40,899,344	3,842,157	168,605,312
State/Other Special	19,434,913	290,211	0	19,725,124	1,737,721	0	21,172,634
Federal Special	30,953,960	(30,953,960)	0	0	(30,953,960)	0	0
Total Funds	\$174,252,684	\$10,468,862	\$1,502,546	\$186,224,092	\$11,683,105	\$3,842,157	\$189,777,946

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	(\$749,211)	(\$749,211)
FY 2013	(\$1,017,573)	(\$1,017,573)

L- 901 - Statewide Present Law Adjustments -

Each educational unit and agency completes a budget in MBARS. This decision package transfers \$3,155,541 in FY 2012 and \$2,876,820 in FY 2013 of statewide present law adjustments as a result of the personal services snapshot, vacancy savings, and fixed cost adjustments as determined by the state from the campuses and agencies to the OCHE budget where all state funding is transferred from. In addition, this decision package incorporates a reduction of \$3,904,752 in FY 2012 and \$3,894,394 in FY 2013 due to a GAAP adjustment at Montana State University which reclassifies certain present law expenditures for system consistency with the University of Montana.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$455,708	\$455,708
FY 2013	\$937,130	\$937,130

L- 902 - Library Inflation -

This proposal increases spending authority to purchase library materials equal to base expenditures in FY 2010 and applies 6% inflation each year adding \$455,708 in FY 2012 and \$937,130 in FY 2013.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$455,153	\$455,153
FY 2013	\$704,243	\$704,243

COMMISSIONER OF HIGHER EDUCATION-5102

APPROPRIATION DISTRIBUTION-09

PL- 903 - Information Technology Increases -

This proposal increases funding \$455,153 in FY 2012 and \$704,243 in FY 2013 for information technology (IT) cost including contractual software licenses and maintenance agreements, hardware maintenance agreements, and internet service costs.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$259,470	\$259,470
FY 2013	\$251,149	\$251,149

PL- 904 - Admin Assessment -

This request restores administrative assessments reclassified for financial statement purposes in the amount of \$259,470 in FY 2012 and \$251,149 in FY 2013.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$1,791,066	\$1,791,066
FY 2013	\$1,944,759	\$1,944,759

PL- 905 - Utilities Inflation -

This proposal funds projected cost increases in utilities of \$1,791,066 in FY 2012 and \$1,944,759 in FY 2013 for the educational units and the public service and research agencies.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$477,832	\$477,832
FY 2013	\$529,622	\$529,622

PL- 906 - New Space -

The budget includes \$477,832 in FY 2012 and \$529,622 in FY 2013 for operations and maintenance for space previously authorized but not included in the base budget for the Montana University System. Space authorized includes Animal Bioscience Facility, Northern Agricultural Research Center, and Eastern Agricultural Research Center.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$329,798	\$329,798
FY 2013	\$896,335	\$896,335

PL- 907 - Other Operating -

The administration recommends a \$329,798 increase in funding for FY 2012 and \$896,335 increase for FY 2013 for other operating costs including repair and maintenance, off campus rent, and gasoline expenses.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$4,460,867	\$4,460,867
FY 2013	\$4,452,604	\$4,452,604

PL- 908 - Waivers -

This decision package increases funding for mandatory fee waivers and restores faculty staff, dependent, graduate and TA/RA waivers \$8,913,471 for the 2013 biennium.

COMMISSIONER OF HIGHER EDUCATION-5102

APPROPRIATION DISTRIBUTION-09

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$1,394,026	\$1,394,026
FY 2013	\$1,394,026	\$1,394,026

- 909 - Faculty Termination Costs -

This proposal funds MUS agency and unit faculty termination costs at the state percentage of base level expenditures of \$1,394,026 per year for the 2013 biennium.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$2,109	\$2,109
FY 2013	\$3,564	\$3,564

- 910 - Lease of Office Space -

This request provides \$5,673 for the 2013 biennium to fund the increase in lease costs for Fire Services Training School.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	(\$103,149)	(\$103,149)
FY 2013	(\$103,149)	(\$103,149)

- 911 - Agency O&M Reduction -

This request adjusts the overhead operations allocation to estimated amounts for the 2013 biennium, reducing funding \$103,149 each year of the 2013 biennium.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$28,511	\$28,511
FY 2013	\$28,511	\$28,511

- 912 - Accounting Adjustment IDC -

This request reinstates indirect cost expenditures that are eliminated for financial statement purposes and need to be budgeted \$28,511 each year of the 2013 biennium.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$856,646	\$856,646
FY 2013	\$855,887	\$855,887

- 913 - Overtime/Comp/Communication Device Allowance -

This request funds overtime, comp time, and communication device allowance expenditures that are not captured by MBARS in the amount of \$856,646 in FY 2012 and \$855,887 in FY 2013.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$710,036	\$710,036
FY 2013	\$705,997	\$705,997

- 914 - Agency Adjustments -

This request reinstates medical benefits for the extension agents that is removed in MBARS and reclassifies personal service expenditures within Extension Service and Fire Services Training School. The request increases funding by \$710,036 in FY 2012 and \$705,997 in FY 2013.

COMMISSIONER OF HIGHER EDUCATION-5102

APPROPRIATION DISTRIBUTION-09

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$100,000	\$
FY 2013	\$100,000	\$

PL- 915 - Motorcycle Safety Program -

This request increases state special revenue funding \$100,000 each year of the 2013 biennium for the Montana motorcycle safety training program.

-----New Proposals-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$200,000	\$200,000
FY 2013	\$200,000	\$200,000

NP- 916 - PBS Satellite Up-Linking Fund -

This request restores funding to Montana PBS \$400,000 for the 2013 biennium for the ongoing delivery of the Montana PBS signal to cable head-ends and Montana PBS transmitter and translator installations.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$200,000	\$200,000
FY 2013	\$200,000	\$200,000

NP- 917 - Restore MSU Biodiesel Research -

This decision package restores \$200,000 per year to the Montana State University Biodiesel Research which was funded with one-time-only funding in the 2011 biennium.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$5,160,000	\$5,160,000
FY 2013	\$7,500,000	\$7,500,000

NP- 918 - University System Funding -

This decision package proposes \$2,580,000 in FY2012 and \$3,750,000 in FY2013 for each of the University of Montana and Montana State University systems and affiliated agencies (\$12,660,000 total) in order to enhance student learning, access and success, promote economic development, and more readily respond to workforce development needs by the system presidents subject to approval by the Board of Regents.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	(\$749,642)	(\$749,642)
FY 2013	(\$749,642)	(\$749,642)

NP- 55140 - Carry Forward FY 2011 17-7-140 reductions- Ed Units -

This decision package increases the allocation of 17-7-140, MCA, reductions to the educational units that were limited in FY 2010 due to the State Fiscal Stabilization Fund maintenance of effort. A total of \$749,642 is allocated each year of the biennium to the educational units.

COMMISSIONER OF HIGHER EDUCATION-5102 APPROPRIATION DISTRIBUTION-09

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	(\$1,095,262)	(\$1,095,262)
FY 2013	(\$1,095,262)	(\$1,095,262)

55141 - Carry Forward FY 2011 17-7-140 reductions- Agencies -

This decision package carries forward \$1,095,262 of 17-7-140, MCA, reductions made for the agencies in FY 2011. Agency reductions carry forward as follows each year of the 2013 biennium: Agricultural Experiment Station \$615,086, Extension Service \$288,363, Bureau of Mines and Geology \$96,664, Forestry Conservation Experimental Station \$7,929, and Fire Service Training School \$37,220.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	(\$1,852,327)	(\$1,852,327)
FY 2013	(\$1,852,443)	(\$1,852,443)

55401 - 4% Personal Services reduction-Educational Units -

The Governor has included a 4% reduction in general fund personal services budgets as a part of his budget recommendations. This decision package reduces the educational units by \$1,852,327 in FY 2012 and \$1,852,443 in FY 2013 to implement the budget reduction. The reduction includes the elimination of approximately 30.57 FTE.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	(\$360,223)	(\$360,223)
FY 2013	(\$360,496)	(\$360,496)

55402 - 4% Personal Services reduction-Agencies -

The Governor has included a 4% reduction in general fund personal services budgets as a part of his budget recommendations. This decision package reduces the agencies by \$360,223 in FY 2012 and \$360,496 in FY 2013 to implement the budget reduction. The reduction includes the elimination of approximately 5.21 FTE.

Language Recommendations - "Program 9 includes a reduction of \$2,212,550 general fund in FY 2012 and \$212,939 in FY 2013 to implement the 4% general fund personal services reduction. The Board of Regents must supply the Office of Budget and Program Planning and the Legislative Fiscal Division a list of the position numbers and FTE by campus and/or agency associated with the reduction by no later than August 1, 2011."

COMMISSIONER OF HIGHER EDUCATION-5102 TRIBAL COLLEGE ASSISTANCE PROGRAM-11

**11 Tribal College
Assistance
Mick Robinson x0319**

Program Description - The program provides assistance to tribal colleges in Montana.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2010	PL Base Adjustment Fiscal 2012	New Proposals Fiscal 2012	Total Exec. Budget Fiscal 2012	PL Base Adjustment Fiscal 2013	New Proposals Fiscal 2013	Total Exec. Budget Fiscal 2013
FTE	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Grants	441,002	0	401,083	842,085	0	401,083	842,085
Total Costs	\$441,002	\$0	\$401,083	\$842,085	\$0	\$401,083	\$842,085
General Fund	441,002	0	401,083	842,085	0	401,083	842,085
Total Funds	\$441,002	\$0	\$401,083	\$842,085	\$0	\$401,083	\$842,085

-----New Proposals-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$458,998	\$458,998
FY 2013	\$458,998	\$458,998

NP- 1101 - Funding for Non-Beneficiary Student Assistance -

This request restores \$458,998 each year of the 2013 biennium that was appropriated to non-beneficiary students in HE 645 during the 2011 legislative session.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	(\$57,915)	(\$57,915)
FY 2013	(\$57,915)	(\$57,915)

NP- 55140 - Carry Forward FY 11 17-7-140 Reductions -

This decision package carries forward \$57,915 of the reductions made in FY 2011 to meet 17-7-140, MCA, into FY 2012 and FY 2013. This reduction will reduce grants to non-beneficiary students.

COMMISSIONER OF HIGHER EDUCATION-5102 GUARANTEED STUDENT LOAN PROGRAM-12

**12 Guaranteed Student
Loan Program**
 Bruce Marks x0351

Program Description - GSL operates under federal regulation to guarantee federal student loans. GSL purchases and services student loans that have been defaulted, works to prevent default, collects outstanding principle from defaulted loans, and provides training and technical assistance to schools and lenders under Title 20, Chapter 26, MCA.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2010	PL Base Adjustment Fiscal 2012	New Proposals Fiscal 2012	Total Exec. Budget Fiscal 2012	PL Base Adjustment Fiscal 2013	New Proposals Fiscal 2013	Total Exec. Budget Fiscal 2013
PL	54.20	(9.20)	0.00	45.00	(9.20)	0.00	45.00
Personal Services	2,109,235	136,586	0	2,245,821	143,413	0	2,252,648
Operating Expenses	3,441,376	6,682	0	3,448,058	(8,017)	0	3,433,359
Benefits & Claims	25,813,316	6,500,000	0	32,313,316	13,000,000	0	38,813,316
Transfers	71,678	0	0	71,678	0	0	71,678
Not Service	43,480	0	0	43,480	0	0	43,480
Total Costs	\$31,479,085	\$6,643,268	\$0	\$38,122,353	\$13,135,396	\$0	\$44,614,481
Federal Special	31,479,085	6,643,268	0	38,122,353	13,135,396	0	44,614,481
Total Funds	\$31,479,085	\$6,643,268	\$0	\$38,122,353	\$13,135,396	\$0	\$44,614,481

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$5,000,000	\$0
FY 2013	\$10,000,000	\$0

- 1201 - Increase in Claim Payments -

This decision package requests authority of \$5,000,000 in FY 2012 and \$10,000,000 in FY 2013 for the Montana Guaranteed Student Loan Program (MGSLP) to cover expected growth in claim payments under lender requests for assistance (LRA) filed for defaulted borrowers. The increase in the number of defaulted borrowers is attributed to the downturn in the economy. As the guarantor, MGSLP purchases the loan from the lender and is tasked with collecting on the loan. The increase in defaulted loans purchased in FY 2010 was 25%.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$1,500,000	\$0
FY 2013	\$3,000,000	\$0

- 1202 - Increased Collection Costs -

This decision package requests additional authority of \$1,500,000 in FY 2012 and \$3,000,000 in FY 2013 for the Montana Guaranteed Student Loan Program based on anticipated increases in collection costs related to the amount of default claims paid and the amount of defaulted loan dollars collected. With projected increases in claim payments based on a weak economy, there will be more collections and collection costs forwarded to the Department of Education. MGSLP has seen a 25% increase in FY 2010 in the number of defaulted claims filed.

**COMMISSIONER OF HIGHER EDUCATION-5102
GUARANTEED STUDENT LOAN PROGRAM-12**

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	(\$355,871)	\$
FY 2013	(\$355,112)	\$

PL- 1203 - MGSLP FTE Reduction -

This decision package reduces authority to MGSLP approximately \$355,000 each year of the 2013 biennium based on the reduced staffing needs. Full Time Equivalents will be reduced from 54.20 to 45.00.

COMMISSIONER OF HIGHER EDUCATION-5102 BOARD OF REGENTS-ADMINISTRATION-13

13 Board of Regents
 Clayton Christian
 728-1500

Program Description - - The Board of Regents program provides secretarial support, travel; and per diem for the Board Regents. The Board of Regents has full power, responsibility, and authority to supervise, coordinate, manage, and control the Montana University System under Article X, Section 9, Montana Constitution, and 20-25-301, MCA.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2010	PL Base Adjustment Fiscal 2012	New Proposals Fiscal 2012	Total Exec. Budget Fiscal 2012	PL Base Adjustment Fiscal 2013	New Proposals Fiscal 2013	Total Exec. Budget Fiscal 2013
E	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Personal Services	4,600	1,700	0	6,300	1,700	0	6,300
Operating Expenses	44,471	0	(5,034)	39,437	0	(5,034)	39,437
Total Costs	\$49,071	\$1,700	(\$5,034)	\$45,737	\$1,700	(\$5,034)	\$45,737
General Fund	49,071	1,700	(5,034)	45,737	1,700	(5,034)	45,737
Total Funds	\$49,071	\$1,700	(\$5,034)	\$45,737	\$1,700	(\$5,034)	\$45,737

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$1,700	\$1,700
FY 2013	\$1,700	\$1,700

1301 - Board of Regents Per Diem -

This request restores the Board of Regents per diem. The per diem is calculated based on 7 regents attending 6 meetings per year that run for 3 days at a rate of \$50 per day. Since there was \$4,600 in the base budget that carried forward to FY 2012 and FY 2013, the request is for the difference of \$1,700.

-----New Proposals-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	(\$5,034)	(\$5,034)
FY 2013	(\$5,034)	(\$5,034)

2- 55140 - Carry Forward FY 11 17-7-140 Reductions -

This decision package carries forward \$5,034 of reductions in operating expenditures made in FY 2011 to meet 17-7-140, MCA, into FY 2012 and FY 2013.





GOVERNOR
BRIAN SCHWEITZER

STATE OF MONTANA

SECTION F: LONG-RANGE PLANNING

Long-Range Building Pgm

Cultural & Aesthetic Grant Pgm

Treasure State Endowment Pgm

State Building Energy
Conservation Pgm

Reclamation & Development Grants

Consolidated Information
Technology Projects

Renewable Resource Grants & Loans

School Facilities Grant Pgm

OBPP Staff:

Christine Hultin-Brus x 3169



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING



LONG-RANGE BUILDING PROGRAM

Purpose - The Long-Range Building Program (LRBP) was initiated in 1965 to provide funding for construction and maintenance of state buildings. The LRBP was developed in order to present a single, comprehensive, and prioritized plan for allocating state resources for capital construction and maintenance of state-owned facilities. Primary statutory authority is Title 17, Chapter 7, part 2, MCA.

Executive Recommendation -

Volume 3 of the Governor's 2013 biennium Executive Budget contains complete descriptions of all recommended projects, which total \$62,483,830, as well as a listing of all LRBP project requests submitted by agencies for the 2011 biennium. All recommended projects are listed within Table F-2.

The 2013 Long-Range Building Program is a "Cash Only" program and no general obligation bonds are proposed. HB 5 contains \$2,420,000 LRBP, \$28,593,330 state special revenue, \$16,885,500 federal special revenue, and \$14,585,000 other funds for a total of 34 projects and \$62,483,830 in the cash program.

Highest priorities in the 2013 biennium are projects that address life safety, security, and hazard mitigation; no significant new construction or renovations are proposed for the 2013 Executive Budget.

Since the Last Legislative Session -

The Architecture and Engineering Division has completed:

- construction of the new Public Safety Education Center and re-construction of the campus Wastewater Treatment System, at the Montana Law Enforcement Academy;
- construction of the State of Montana's primary and remote Data Centers, located in Helena and Miles City respectively;
- renovation of McMullen Hall at Montana State University-Billings;
- the first phase of a major renovation of Main Hall at University of Montana-Western in Dillon;
- construction of the new Montana Bureau of Mines and Geology & Petroleum Building at Montana Tech in Butte;
- major masonry repairs at Leon Johnson Hall, the major renovation of Gaines Hall, and construction of the new Animal Bio-Science facility at Montana State University;
- major additions to the School of Education and Law School Buildings and construction of the new Native American Center at the University of Montana;
- construction of the new consolidated DNRC/DEQ office buildings in Kalispell;
- construction of the new DNRC Central Land Office Headquarters in Helena and consolidation of the Forestry Division Headquarters in Missoula; renovation and addition to the DNRC Equipment Development Center in Missoula and the Oil & Gas Division Office in Billings;
- improvements to existing and construction of new facilities at MSU Agricultural Experiment Station locations throughout the state;
- continued demolition and campus improvements at the State Hospital at Warm Springs;
- and small but significant repairs and renovations at numerous state agency and university system facilities throughout the state.

Construction is underway for:

- upgrades to the State Grain Lab, Great Falls;
- construction of a new Northern Ag Research Center in Havre and a new Eastern Ag Research Center in Sidney;
- improvements to the 40-bed unit and mechanical system at Montana Veterans' Home in Columbia Falls;
- expansion of the DPHHS Commodity Warehouse, Helena;
- construction of a new privately-funded Chapel and renovation of the Administrative Annex, Spratt Building, and Xanthopolous Building at the Montana State Hospital in Warm Springs;
- the second phase of a major renovation of Main Hall at University of Montana-Western in Dillon;
- upgrade of the HVAC system of the Mining & Geology Building and renovation of the Health Sciences and HPER at Montana Tech in Butte;
- boiler replacement and laboratory renovations at MSU-Northern;
- major repairs and deferred maintenance improvements at the Clearwater, Swan, and Stillwater Units of the DNRC;
- construction of the FWP Montana Outdoor Discovery Center, Helena;
- renovation of Low Support Housing facilities and HVAC improvements to High and Low-Side Units at MT State Prison in Deer Lodge;

LONG-RANGE BUILDING PROGRAM

- and numerous energy and deferred maintenance improvements to MDT, FWP, DMA, MT University System, and virtually all other State Agency facilities throughout the State.

Funding -

- See Table F-1 for presentation of the LRBP account revenue estimates for the 2013 biennium.

Recommended Projects -

- See Table F-2 for presentation of the projects recommended for the 2013 biennium LRBP.

LONG-RANGE BUILDING PROGRAM

TABLE F-1

REVENUE ESTIMATE
LONG-RANGE BUILDING PROGRAM ACCOUNT
PROJECTIONS AS OF OCTOBER 25, 2010
2013 BIENNIUM

Estimated Beginning Cash Balance (July 1, 2011)		(\$6,993,848)
Revenues:		
Cigarette Tax	3,792,988	
Coal Severance Tax	10,798,270	
Interest Earnings	808,900	
Supervisory Fees	876,470	
DEQ Transfer - Energy Savings	0	
General Fund Transfer (OTO)	0	
Total Revenues		16,276,628
Funds Available		9,282,780
Expenditures:		
Operating Costs - A & E Division	(3,943,622)	
Debt Service - 2003G Issue ¹	(2,054,381)	
Debt Service - 2005A Issue ²	(2,194,019)	
Funding Switch ³	1,330,000	
Total Expenditures - Excluding Capital Projects		(6,862,022)
Funds Available For Capital Projects		2,420,758
Funding Proposals		
Capital Construction Program - LRBP Projects Only		(2,420,000)
Balance Remaining		\$758

¹ Refunding the 2003G (1996D) bond issue

² Refunding portions of the 2005A (1997B and 1999C) bond issues

³ Funding switch authorized by the 2001 Legislature - Montana Session Laws 2001, Chapter 486, Section 11

LONG-RANGE BUILDING PROGRAM

Table F-2
LONG-RANGE BUILDING PROGRAM

Priority	Agency	Project Description	Funding Sources				Total
			LRBP	State Special	Federal Special	Other Funds	
1	DPHHS	Replace Security Key System - Montana Developmental Center, Boulder	200,000				200,000
2	MUS	Install Fire Protection Systems - Montana University System	530,000			260,000	790,000
3	DOA	Install Fire Protection Systems - Montana Law Enforcement Academy	600,000				600,000
4	MUS	Hazard Mitigation Projects - Montana University System	875,000		2,850,000	1,075,000	4,800,000
5	DOA	Elevator & ADA Modifications, Capitol Complex		800,000			800,000
6	DOC	Repair Building 15 Roof - Riverside Youth Correctional Facility, Boulder	215,000				215,000
7	DMA	Replace Armory Roofs, Statewide			930,000		930,000
8	DOA	Mechanical & Energy Projects, Capitol Complex		1,592,500			1,592,500
9	MDT	Statewide Maintenance, Repair & Small Projects		2,142,000			2,142,000
10	Statewide	Spending Authority, Utility Energy Conservation Funds				1,000,000	1,000,000
11	Statewide	Authority to Spend Federal Grant Funds			5,000,000		5,000,000
12	DMA	Federal Spending Authority			2,500,000		2,500,000
13	MUS	General Spending Authority, UM - All Campuses				6,000,000	6,000,000
14	MUS	General Spending Authority, MSU - All Campuses				6,000,000	6,000,000
15	DPHHS	Preliminary Design - SW Montana Veterans' Home, Butte		475,000			475,000
16	DNRC	Aircraft Hangar, Kalispell				250,000	250,000
17	MDT	Equipment Storage Buildings, Statewide		2,158,000			2,158,000

LONG-RANGE BUILDING PROGRAM

Table F-2 - continued
LONG-RANGE BUILDING PROGRAM

Priority	Agency	Project Description	Funding Sources				
			LRBP	State Special	Federal Special	Other Funds	Total
18	FWP	Parks Program		2,351,000	1,700,000		4,051,000
19	FWP	Habitat Montana		8,668,000	200,000		8,868,000
20	FWP	Future Fisheries		1,274,000			1,274,000
21	FWP	Fishing Access Site Protection		1,474,000	400,000		1,874,000
22	FWP	Upland Game Bird Program		1,181,800			1,181,800
23	FWP	Hatchery Maintenance		575,000	575,000		1,150,000
24	FWP	Admin Facilities Repair & Maint		1,570,500			1,570,500
25	FWP	Grant Programs/Federal Projects		258,000	2,000,000		2,258,000
26	FWP	Milltown Dam Park Improvements		927,530	730,500		1,658,030
27	FWP	Wildlife Habitat Maintenance		970,000			970,000
28	FWP	Dam Maintenance		50,000			50,000
29	FWP	Smith River Corridor Enhancements		150,000			150,000
30	FWP	Waterfowl Program		509,000			509,000
31	FWP	Community Fishing Ponds		50,000			50,000
32	FWP	Fishing Access Site Acquisition		279,000			279,000
33	FWP	Bighorn Sheep Habitat		538,000			538,000
34	FWP	Home to Hunt Access		600,000			600,000
TOTAL LONG RANGE BUILDING PROGRAM			\$2,420,000	\$28,593,330	\$16,885,500	\$14,585,000	\$62,483,830

Treasure State Endowment Program

Purpose - The Treasure State Endowment Program (TSEP) is a state-funded grant program created to help local governments fund infrastructure projects, defined by statute as drinking water systems, wastewater treatment, sanitary sewer or storm sewer systems, solid waste disposal and separation systems, and bridges. TSEP was authorized by Montana voters through the passage of Legislative Referendum 110 in June 1992 (Sections 90-6-701, *et seq.*, MCA). Title 90, Chapter 6, part 7, MCA sets out the basic requirements for TSEP.

Executive Recommendation

Volume 4 of the Governor's 2011 biennium Executive Budget contains the department's evaluation of each of the TSEP applications and the detailed funding recommendations.

- No funds are recommended for TSEP grant awards for the 2013 biennium.
- No funds are recommended for the Treasure State Endowment Regional Water System Fund, administered by the Department of Natural Resources and Conservation, for the 2013 biennium.
- **HB 11** contains appropriations to the department for \$900,000 for matching preliminary engineering study grants and \$100,000 for emergency projects during the 2013 biennium.
- Extend the termination date from 2016 to 2021.

Since the Last Session

Since the 2009 Legislature met, the department has administered as many as 134 construction grants, awarded and administered 63 grants for preliminary engineering studies, and awarded no emergency grants.

The more significant changes to the *TSEP Application Guidelines* that were published in 2010 included:

- Adding a new provision that allows an existing, publically-owned water system to connect to a privately-owned water system in order to purchase bulk water to supply the public system.
- Adding a new provision clarifying that only one application per project is permitted each application cycle.
- Adding a new provision that the department will temporarily set aside \$90,000 in preliminary engineering funds after the initial grants are awarded to fund studies of systems owned by local governments that have not previously applied to the TSEP program.
- Increasing the total number of possible points for Statutory Priority #1 by 100 points to put a greater emphasis on solving serious health and safety problems.
- Adding a new provision that allows the department to increase the ranking of projects that receive a level "5" score on Statutory Priority #1, regardless of the number of total points received by the project, in order to ensure that serious health and safety problems are resolved.

Reclamation and Development Grant Program

Purpose - The Reclamation and Development Grants Program (RDGP) was established by the Montana Legislature in 1987 to enable funding for projects that indemnify the people of Montana for the effects of mineral development on public resources and that meet other crucial needs serving the public interest and the total environment of the citizens of Montana. Administered by the Department of Natural Resources and Conservation (DNRC), the RDGP fulfills this mission by funding projects that (1) repair, reclaim, and mitigate environmental damage to public resources from nonrenewable resource extraction and (2) develop and ensure the quality of public resources for the benefit of all Montanans. The RDGP Act is Title 90, Chapter 2, part 11, MCA.

Executive Recommendation -

- **Volume 5 of the Governor's 2013 biennium Executive Budget** contains the complete project evaluations and funding recommendations for the RDGP.
- **HB 7** presents the reclamation and development grant recommendations, which total \$6,949,002 for the 26 projects for which funding is recommended.
- Statutorily required priorities include \$600,000 for the Montana Board of Oil and Gas and \$800,000 in abandoned mines reclamation.
- Representative mineral reclamation projects include reclamation and cleanup of the Alder Gulch, Lily Orphan Boy, and Forest Rose mine sites, and numerous oil and gas well plugging and abandonment projects.
- Non-mineral projects include the aquatic invasive plant management project, Big Spring Creek PCB remediation, and Missoula Sawmill Site reclamation.
- Also included is an \$800,000 request for planning grant funding.

Since the Last Session -

- During the interim, all 23 grantees that received appropriations from the 61st Legislature have started their projects for a total of \$6,227,122.
- Nineteen planning grants have been issued as of October 2010.

Reclamation and Development Grant Program

Table F-3
RECLAMATION AND DEVELOPMENT GRANT PROGRAM

RANK	APPLICANT	AMOUNT REQUESTED	AMOUNT RECOMMENDED	CUMULATIVE AMOUNT
The first five projects are funded based on statutory requirements (\$6,000,000 to BOGC and \$800,000 for abandoned mine reclamation projects)				
	MT Board of Oil and Gas			
1	2011 Eastern District Orphaned Well Plug and Abandonment and Site Restoration	\$300,000	\$300,000	\$300,000
	MT Board of Oil and Gas			
2	2011 Northern/Eastern District Orphaned Well Plug and Abandonment and Site Restoration	\$300,000	\$300,000	\$600,000
	Ruby Valley Conservation District			
3	Alder Gulch Improvements, Phase 1	\$300,000	\$300,000	\$900,000
	MT Department of Environmental Quality			
4	Forest Rose Mine and Mill Site Reclamation Project	\$300,000	\$300,000	\$1,200,000
	MT Department of Environmental Quality			
5	Lily/Orphan Boy Mine Reclamation Project	\$300,000	\$300,000	\$1,500,000
	Sanders County			
6	Managing Aquatic Invasive Plant Species to Protect Montana's Water Resources	\$300,000	\$300,000	\$1,800,000
	MT Fish, Wildlife and Parks			
7	Big Spring Creek PCB Remediation	\$300,000	\$300,000	\$2,100,000
	MT Department of Natural Resources and Conservation			
8	St. Mary and Milk River Basins Water Management Initiatives 2010	\$250,000	\$250,000	\$2,350,000
	MT Department of Environmental Quality			
9	Sand Coulee Public Water Supply System Restoration	\$300,000	\$300,000	\$2,650,000
	Pondera County			
10	Pondera County Oil and Gas Well Plug and Abandon Project	\$100,000	\$100,000	\$2,750,000
	Teton County			
11	Oil and Gas Well Plug and Abandon Project	\$60,000	\$60,000	\$2,810,000
	Fort Peck Tribes			
12	Reclamation of the Philip Red Eagle 2-25 Salt Water Disposal Well on the Fort Peck Indian Reservation, Northeastern Montana	\$254,782	\$254,782	\$3,064,782
	MT Board of Oil and Gas			
13	2011 Southern District Lease Battery Site Restoration, Part 2	\$200,000	\$200,000	\$3,264,782
	Shelby			
14	Reclamation of Shelby Refinery	\$300,000	\$300,000	\$3,564,782
	Missoula County			
15	Ninemile Creek Mining District, Phase 2	\$228,345	\$228,345	\$3,793,127
	MT Department of Environmental Quality			
16	Zortman and Landusky Mines-Source Control Prioritization and Feasibility Evaluation Project	\$300,000	\$300,000	\$4,093,127
	Missoula, City of			
17	Missoula Sawmill Site Wood Waste Reclamation Project	\$300,000	\$300,000	\$4,393,127
	Butte-Silver Bow County			
18	Butte Mining District: Reclamation and Protection Project, Phase 3	\$300,000	\$300,000	\$4,693,127
	Fergus County Road Department			
19	Pentachlorophenol Waste Cleanup	\$300,000	\$300,000	\$4,993,127
	Meagher County Conservation			
20	Thomas Creek Placer Surface Flow Enhancement and Stream Stabilization Project	\$162,797	\$162,797	\$5,155,924
	MT Department of Environmental Quality			
21	Beal Mountain Mine: Beal Pit Run On Controls, Pond Removals	\$300,000	\$300,000	\$5,455,924
	Crow Tribe of Indians			
22	Little Bighorn River Restoration Project	\$300,000	\$300,000	\$5,755,924
	Richland County Conservation District			
23	Lower Yellowstone River Bank Stabilization Project	\$293,078	\$293,078	\$6,049,002
	MT Department of Environmental Quality			
24	Landusky Mine - Construction of Clarifier and Sludge Recycling System for Treatment of Residual Wastewater in Leaching Circuit Project	\$300,000	\$300,000	\$6,349,002
	MT Department of Fish Wildlife and Parks			
25	Impacts of Energy Development and Leasing Stipulations on Mule Deer Habitat Selection, Distribution, and Population Dynamics	\$300,000	\$300,000	\$6,649,002
	Anaconda-Deer Lodge			
26	Anaconda Superfund Reclamation Trail Program	\$300,000	\$300,000	\$6,949,002
Total		\$6,949,002	\$6,949,002	\$6,949,002

* 3 projects were not recommended for funding.

Renewable Resource Grant and Loan Program

Purpose - The Renewable Resource Grant and Loan Program offers funding for projects that conserve, manage, develop, and preserve renewable resources to provide economic and other benefits of the state's natural heritage. The Department of Natural Resources and Conservation (DNRC) administers the program, which is provided for in Title 85, Chapter 1, part 6, MCA. Governmental entities may apply to the program to obtain funding for community resource-related projects. Project eligibility covers a wide spectrum including irrigation system rehabilitation, stream restoration, watershed management, public water and sewer systems, and resource assessment projects.

Executive Recommendation –

- **Volume 6 of the Governor's 2013 biennium Executive Budget** contains the complete project evaluations and funding recommendations for all grant and loan applications. Table F-4 below shows the recommended projects.
- **HB 6** presents the renewable resource grants recommendations for legislative action, which total \$10,598,971 for the 110 projects for which funding is recommended.
- The highest priority grant will be to the DNRC Water Resources Division to study the feasibility of adding hydropower generation to three state-owned dams in Montana.
- Other projects include the Big Spring Creek restoration activities in Fergus County, and other watershed projects, dam rehabilitation projects, irrigation water conservation projects, and numerous proposals for municipal water and sewer systems.
- **HB 6** recommends provision for \$100,000 in emergency grants to communities for projects that present immediate threats to public health, \$180,000 for development of the State Water Plan, \$800,000 for project planning grants and \$300,000 for irrigation grants during the 2013 biennium.
- **HB 8** recommends reauthorization for three renewable resource loans and associated bonds.

Since the Last Session -

- As of October 2010, 86 of the 89 grantees that received appropriations from the 60th Legislature have started their projects for a total of \$8,354,593.
- This biennium, there have been four emergency grants awarded to date for a total of \$50,000.
- Sixty-eight renewable resource planning grants have been issued as of October 2010.
- Twenty-two irrigation development grants have been issued for a total of \$231,940.
- Nine private grants were issued for a total of \$16,285.

Renewable Resource Grant and Loan Program

Table F-4
RENEWABLE RESOURCE GRANT PROGRAM

Rank	Project Sponsor / Project Name	Recommended Grant Funding	Cumulative Recommended
	MT DNRC Water Resources Division		
1	MT DNRC Hydropower Feasibility Study Sheridan, Town of	\$100,000	100,000
2	Sheridan Wastewater System Improvements Deer Lodge, City of	\$100,000	200,000
3	Deer Lodge Wastewater System Improvements Fergus Conservation District	\$100,000	300,000
4	Fergus CD Big Spring Creek Stream Restoration at the Machler Conservation Easement MT DNRC Trust Land Management Division	\$100,000	400,000
5	MT DNRC Smith Lake Dam Rehabilitation Culbertson, Town of	\$100,000	500,000
6	Culbertson Wastewater System Improvements Upper and Lower River Road Water and Sewer District	\$100,000	600,000
7	Upper and Lower River Road Water and Wastewater System Improvements Beaverhead Conservation District	\$100,000	700,000
8	Beaverhead CD Poindexter Slough Fishery Enhancement Pondera Conservation District	\$100,000	800,000
9	Pondera CD Pondera County C Canal Buffalo Rapids Project - District 1	\$100,000	900,000
10	Buffalo Rapids ID System Improvements - Lateral 26.4 Pondera Conservation District	\$100,000	1,000,000
11	Pondera CD Irrigation System Improvements- Pondera Wasteway Rehabilitation Flathead County	\$100,000	1,100,000
12	Flathead County Bigfork Stormwater System Improvements Hebgen Lake Estates Water and Sewer District	\$100,000	1,200,000
13	Hebgen Lake Estates WSD Wastewater System Improvements Harlem, City of	\$100,000	1,300,000
14	Harlem Wastewater System Improvements Polson, City of	\$100,000	1,400,000
15	Polson Water System Improvements Amsterdam-Churchill County Sewer District No. 307	\$100,000	1,500,000
16	Amsterdam-Churchill Wastewater System Improvements Stanford, Town of	\$100,000	1,600,000
17	Stanford Water System Improvements MT Department of Fish, Wildlife and Parks	\$100,000	1,700,000
18	MT FWP Chadbourne Diversion Dam Repair and Selective Fish Passage Retrofits Helena Valley Irrigation District	\$99,500	1,799,500
19	Helena Valley ID Irrigation System Improvements- Pump No 2 Rehab Belt, Town of	\$100,000	1,899,500
20	Belt Water System Improvements Sun Prairie Village County Water and Sewer District	\$100,000	1,999,500
21	Sun Prairie Village Water System Improvements Fort Belknap Indian Community	\$100,000	2,099,500
22	Fort Belknap Indian Community Water Conservation Project Sweet Grass County Conservation District	\$100,000	2,199,500
23	Sweet Grass CD Big Timber Creek Channel Stabilization Project Sidney Water Users Irrigation District	\$99,998	2,299,498
24	Sidney WUID Increasing Irrigation Efficiency: District 1 & 2, Phase 3 Sidney Water Users Irrigation District	\$100,000	2,399,498
25	Sidney WUID Increasing Irrigation Efficiency: District 5, Lateral 2 Clinton Irrigation District	\$100,000	2,499,498
26	Clinton ID Irrigation System Improvements Schoolhouse Pipeline	\$100,000	2,599,498

Renewable Resource Grant and Loan Program

	East Bench Irrigation District		
27	EBID Main Canal Check Structure Rehabilitation	\$100,000	2,699,498
	Lower Musselshell Conservation District		
28	Lower Musselshell Delphia Melstone Irrigation Structure Rehabilitation/Canal Lining	\$100,000	2,799,498
	Madison Conservation District		
29	Madison CD South Meadow Creek Water Efficiency	\$100,000	2,899,498
	Confederated Salish and Kootenai Tribes		
30	CSKT-Jocko Upper S Canal Lining	\$100,000	2,999,498
	Malta Irrigation District		
31	Malta ID Irrigation System Improvements- Dodson North Canal Siphons Replacement Project	\$100,000	3,099,498
	Roberts Carbon County WSD		
32	Roberts Carbon County WSD Water and Wastewater System Improvements	\$100,000	3,199,498
	Chippewa Cree Tribe		
33	Chippewa Cree Dry Fork Farms Irrigation Enhancement Project	\$97,429	3,296,927
	Flathead Joint Board of Control		
34	FJBC- Jocko Upper J Canal Diversion Structure	\$100,000	3,396,927
	Lockwood Irrigation District		
35	Lockwood ID Irrigation System Improvements- Intake Canal Spillway Replacement	\$100,000	3,496,927
	Glendive, City of		
36	Glendive GI Floodplain Feasibility Study	\$100,000	3,596,927
	Fort Shaw Irrigation District		
37	Fort Shaw Irrigation System Improvements	\$100,000	3,696,927
	MT DNRC Water Resources Division		
38	MT DNRC East Fork Rock Creek Diversion and Fish Screen Project	\$100,000	3,796,927
	Daly Ditches Irrigation District		
39	Daly Ditches ID Irrigation System Improvements- Hedge Canal	\$100,000	3,896,927
	Gallatin Gateway County Water and Sewer District		
40	Gallatin Gateway Wastewater System Improvements	\$100,000	3,996,927
	Greenfields Irrigation District		
41	Greenfields ID Irrigation System Improvements – Big Coulee	\$100,000	4,096,927
	Park Conservation District		
42	Park CD Irrigation System Improvements- Park Branch Paradise Canal	\$100,000	4,196,927
	Huntley Project Irrigation District		
43	Irrigation System Improvements- Lower Canal Seepage Lining	\$100,000	4,296,927
	Anaconda- Deer Lodge County		
44	Anaconda-Deer Lodge County Water System Improvements- Systemwide Water Meter Installation	\$100,000	4,396,927
	Fairfield, Town of		
45	Fairfield Water System Improvements	\$100,000	4,496,927
	Fort Peck Tribes		
46	Fort Peck Tribes Irrigation System Improvements Lateral L-2M Rehab	\$100,000	4,596,927
	Hardin City of		
47	Hardin Water System Improvements	\$100,000	4,696,927
	Bitter Root Irrigation District		
48	Bitter Root Irrigation System Improvements- Siphon 1, Phase 2	\$100,000	4,796,927
	North Havre County Water District		
49	North Havre Water System Improvements	\$100,000	4,896,927
	Roundup, City of		
50	Musselshell Watershed Sustainable Irrigation Management	\$60,000	4,956,927
	MT DNRC Water Resources Division		
51	MT DNRC Clark Fork River Basin Task Force	\$32,000	4,988,927
	Green Mountain Conservation District		
52	Green Mountain CD Tuscar Creek Restoration Project	\$84,778	5,073,705
	Lewistown, City of		
53	Lewistown East Fork Dam Repair	\$100,000	5,173,705
	Crow Tribe of Indians		
54	Crow Tribe of Indians Water System Improvements Phase 4A	\$100,000	5,273,705
	Hill County Water District		
55	Hill County WD Water System Improvements	\$100,000	5,373,705

Renewable Resource Grant and Loan Program

	Roundup, City of		
56	Roundup Water System Improvements	\$100,000	5,473,705
	Kevin, Town of		
57	Kevin Water System Improvements	\$100,000	5,573,705
	LaCasa Grande Water and Sewer District		
58	Lacasa Grande Wastewater System Improvements	\$100,000	5,673,705
	Whitefish, City of		
59	Whitefish Haskill Basin Water Conservation and Preservation	\$100,000	5,773,705
	Ravalli County		
60	Ravalli County Phase 3 Lidar Mapping for Flood Hazard ID	\$75,000	5,848,705
	Lockwood Water and Sewer District		
61	Lockwood Wastewater System Improvements	\$100,000	5,948,705
	Teton Conservation District		
62	Teton CD- Eureka Reservoir Improvements	\$100,000	6,048,705
	East Helena, City of		
63	East Helena Wastewater System Improvements	\$100,000	6,148,705
	Missoula County		
64	Missoula County Wastewater System Improvements- Spring Meadows Addition	\$100,000	6,248,705
	Missoula County		
65	Missoula County Lidar Mapping	\$50,000	6,298,705
	MT Water Resources Division		
66	MT DNRC Irrigation System Improvements- Martinsdale Supply Canal Headworks Rehab	\$98,688	6,397,393
	Ravalli County Environmental Health		
67	Ravalli County Bitterroot Valley Septic Systems Impact Model, Phase 2	\$73,745	6,471,138
	Foys Lakeside County Water and Sewer District		
68	Foys Lakeside Water System Improvements	\$100,000	6,571,138
	Pablo Lake County Water and Sewer District		
69	Pablo Water System Improvements	\$100,000	6,671,138
	Cut Bank, City of		
70	Cut Bank Water System Improvements, Phase 4	\$100,000	6,771,138
	University of Montana		
71	UMT Natural Heritage Program Wetland and Riparian Mapping for the Lower and Middle Musselshell	\$99,934	6,871,072
	Bozeman High School District #7		
72	Bozeman HS Mandeville Creek Restoration and Community Ed Project	\$100,000	6,971,072
	White Sulphur Springs, City of		
73	White Sulphur Springs Water System Improvements	\$100,000	7,071,072
	MT DNRC Water Resources Division		
74	MT DNRC Cooney and Deadman's Basin Automated Instrumentation	\$100,000	7,171,072
	Park Conservation District		
75	Park CD Irrigation Infrastructure Improvements- Livingston Ditch	\$100,000	7,271,072
	Carbon Conservation District		
76	Carbon CD Irrigation System Improvements- Whitehorse Canal	\$82,950	7,354,022
	Ronan, City of		
77	Ronan Stormwater System Improvements	\$100,000	7,454,022
	Fromberg, Town of		
78	Fromberg Water System Improvements	\$100,000	7,554,022
	Jordan, Town of		
79	Jordan Water System Improvements	\$100,000	7,654,022
	Lower Yellowstone Irrigation Project Board of Control		
80	Lower Yellowstone LYIPBOC SCADA and Water Measurement Project	\$100,000	7,754,022
	Butte- Silver Bow Consolidated City-County Government		
81	Butte-Silverbow Big Hole River (BHR) Pumpstation Rehab	\$100,000	7,854,022
	Manhattan, Town of		
82	Manhattan Water System Improvements	\$100,000	7,954,022
	North Powell		
83	Increasing Pump Discharge Line Efficiency: Phase 2	\$60,000	8,014,022
	Kalispell, City of		
84	Kalispell Woodland Park Pond Remediation	\$100,000	8,114,022

Renewable Resource Grant and Loan Program

	MT DNRC Water Resources Division		
85	MT DNRC Streamstats Interactive Web Map Application Libby, City of	\$100,000	8,214,022
86	Libby Wastewater System Improvements Toston Irrigation District	\$100,000	8,314,022
87	Toston ID Crow Creek Pumping Plant Rehab Em-Kayan Water and Sewer District	\$100,000	8,414,022
88	Em-Kayan Water System Improvements Gallatin County Solid Waste District	\$100,000	8,514,022
89	Gallatin County Logan Landfill Waste-to-Energy Feasibility Study Hill County Conservation District	\$100,000	8,614,022
90	Hill County Milk River Basin Riparian and Hydrology Restoration-Invasive Species Removal Brady County Water and Sewer District	\$54,245	8,668,267
91	Brady Water System Improvements Lincoln Conservation District	\$100,000	8,768,267
92	Lincoln CD Sindair Creek Watershed Improvements Tin Cup Water and Sewer District	\$100,000	8,868,267
93	Tin Cup Lake Dam Improvements Melrose Water and Sewer District	\$94,638	8,962,905
94	Melrose Wastewater System Improvements Augusta Water and Sewer District	\$100,000	9,062,905
95	Augusta Wastewater System Improvements Target Range Water and Sewer District	\$100,000	9,162,905
96	Target Range Replacement of Obsolete Septic Systems Carbon Conservation District	\$100,000	9,262,905
97	Carbon CD Irrigation System Improvements- Pleasant Valley Canal Rehab Troy, City of	\$100,000	9,362,905
98	Troy Water System Improvements MT DNRC Water Resources Division	\$100,000	9,462,905
99	MT DNRC Water Resource Survey Framework University of Montana	\$71,000	9,533,905
100	UMT Developing Wolf Population Monitoring Techniques to Advance Management and Conservation Lockwood Area/Yellowstone County Water and Sewer District	\$100,000	9,633,905
101	Lockwood Area Water System Improvements Eureka, Town of	\$100,000	9,733,905
102	Eureka Wastewater System Improvements Joliet, Town of	\$100,000	9,833,905
103	Joliet Water System Improvements University of Montana	\$100,000	9,933,905
104	UMT an Experimental Assessment of the Ecological and Social Dimensions of Human Bear Conflict Bigfork County Water and Sewer District	\$99,067	10,032,972
105	Bigfork Water System Improvements Park County	\$100,000	10,132,972
106	Park County Shields River Surface and Groundwater Analysis Petroleum County Conservation District	\$83,713	10,216,685
107	Petroleum CD Horse Creek Coulee Water Storage Project Shelby, City of	\$82,286	10,298,971
108	Shelby West Interceptor Project Sidney, City of	\$100,000	10,398,971
109	Sidney-Optimizing Water Development From The Well Field Thompson Falls, City of	\$100,000	10,498,971
110	Thompson Falls Water System Improvements- Ashley Creek Transmission Line	\$100,000	10,598,971
TOTAL FUNDS RECOMMENDED			10,598,971

Cultural and Aesthetic Grant Program

Purpose - The Cultural and Aesthetic (C&A) Grant Program began in the 1979 biennium for protection of works of art in the state capitol and for other cultural and aesthetic projects as provided in 15-35-108, and Title 22, Chapter 2, part 3, MCA. Initially administered by the Montana Historical Society, the C&A program was transferred to the Montana Arts Council in the 1985 biennium and continues to be funded by the interest from a statutory trust that receives coal severance tax revenues. Project applications are submitted to the MAC for review and ranking by the 16-member Cultural and Aesthetic Projects Advisory Committee, half of whom are appointed by the MAC and half by the MHS. Coal severance tax revenue of 0.63 percent is statutorily allocated to the capitol art protection trust fund for partial funding of the recommended grants. About two-thirds of the projects are arts projects and one-third are history and other cultural projects.

Executive Recommendation –

- Volume 7 of the Governor's 2013 biennium Executive Budget contains the C&A project applications and advisory committee assessment information.
- **HB 9** contains the projects recommended by the advisory committee for funding in the amount of \$694,976. Table F-6 below shows all of the requested and recommended grants.
- Projects are organized into four categories: special projects less than \$4,500, special projects, operational support, and capital expenditure grants.
- The revenue estimate for cultural trust interest earnings for the 2013 biennium is \$11,350.
- Montana Arts Council administration and services are recommended for \$407,024 and appropriated in HB 2.
- Montana Historical Society is appropriated in HB 9 the first \$30,000 for Capitol Complex works of art.
- Language in HB 9 provides a mechanism for spending the funds within the total revenue available.

Since the Last Session –

- The MAC received 93 requests for grant funding totaling \$2.3 million, which were reviewed and ranked by the Cultural and Aesthetic Projects Advisory Committee. The average request was \$25,042 and the average recommended is \$7,500. These are two year awards.
- The tax flow into the cultural and aesthetic trust fund was \$284,000 for FY 2010.

Cultural and Aesthetic Grant Program

Table F-5
CULTURAL AND AESTHETIC GRANT PROGRAM

Grant	Organization Name	Rank	Request	Recommend	Cumulative
Special Project < \$4500					
1607	Signatures from Big Sky	1	\$4,500	\$4,500	\$4,500
1604	Miles City Speakers Bureau	2	\$4,000	\$4,000	\$8,500
1609	Upper Swan Valley Historical Society Inc	3	\$4,400	\$4,400	\$12,900
1603	Mai Wah Society	4	\$4,400	\$3,000	\$15,900
1606	Montana Storytelling Roundup	5	\$4,500	\$3,000	\$18,900
1608	String Orchestra of the Rockies	6	\$4,500	\$3,000	\$21,900
1610	Yellowstone Ballet Company	7	\$4,500	\$3,000	\$24,900
1600	Clay Arts Guild	8	\$3,560	\$2,500	\$27,400
1605	Mission Valley Friends of the Arts	9	\$4,500	\$2,000	\$29,400
1601	Council for the Arts	10	\$4,000	\$0	\$29,400
1602	Granite County Museum and Cultural Center	11	\$4,500	\$0	\$29,400
Special Project					
1621	Humanities Montana	1	\$50,000	\$15,000	\$44,400
1632	The CoMotion Dance Project	2	\$17,477	\$10,000	\$54,400
1617	Emerson Center for the Arts & Culture	3	\$8,000	\$7,000	\$61,400
1630	Musikanten Inc	4	\$8,009	\$8,009	\$69,409
1622	KUFM-TV	5	\$25,090	\$7,500	\$76,909
1634	Whitefish Theatre Co	6	\$20,000	\$9,000	\$85,909
1611	Bitter Root Cultural Heritage Trust	7	\$10,000	\$5,000	\$90,909
1626	Montana Historical Society	8	\$36,035	\$7,500	\$98,409
1614	Broadwater Productions, Inc.	9	\$29,945	\$10,000	\$108,409
1620	Hockaday Museum of Art	10	\$38,343	\$9,000	\$117,409
1631	Queen City Ballet Company	11	\$14,000	\$5,000	\$122,409
1624	Missouri Valley Development Corporation	12	\$20,000	\$5,000	\$127,409
1635	Zootown Arts Community Center	13	\$11,000	\$5,000	\$132,409
1623	Missoula Art Museum	14	\$22,500	\$7,500	\$139,909
1613	Bozeman Symphony Society	15	\$20,000	\$8,000	\$147,909
1633	Tobacco Valley Improvement Assoc, Board of Arts	16	\$12,256	\$2,500	\$150,409
1619	Hamilton Players, Inc.	17	\$37,750	\$4,400	\$154,809
1612	Bitter Root Valley Historical Soc/Ravalli Co Musm	18	\$15,000	\$3,000	\$157,809
1615	Butte-Silver Bow Public Archives	19	\$20,000	\$5,000	\$162,809
1629	Museum of the Rockies	20	\$44,967	\$5,000	\$167,809
1627	Montana Museum of Art & Culture	21	\$25,800	\$5,000	\$172,809
1618	Fraternal Order of Eagles	22	\$25,000	\$4,000	\$176,809
1625	Montana Ballet Company	23	\$4,500	\$0	\$176,809
1616	Butte-Silver Bow Public Library	24	\$21,000	\$0	\$176,809

Cultural and Aesthetic Grant Program

Operational Support					
1668	Museums Association of Montana	SSO1	\$13,800	\$10,000	\$186,809
1665	Montana Preservation Alliance	SSO2	\$40,000	\$15,000	\$201,809
1662	Montana Arts	SSO3	\$40,600	\$12,500	\$214,309
1657	MAGDA	SSO4	\$25,000	\$12,000	\$226,309
1628	Montana Performing Arts Consortium	SSO5	\$36,600	\$12,500	\$238,809
1663	Montana Association of Symphony Orchestras	SSO6	\$21,500	\$12,500	\$251,309
1664	Montana Dance Arts Association	SSO7	\$24,850	\$12,000	\$263,309
1689	YMCA Writer's Voice	1	\$31,000	\$15,000	\$278,309
1685	VSA Arts of Montana	2	\$13,050	\$10,112	\$288,421
1649	District 7 Human Resources Development Council	3	\$30,000	\$15,000	\$303,421
1666	Montana Shakespeare in the Parks	4	\$40,000	\$15,000	\$318,421
1638	Archie Bray Foundation	5	\$50,000	\$12,500	\$330,921
1647	Carbon County Historical Society	6	\$30,000	\$16,000	\$346,921
1654	Helena Symphony Society, Inc.	7	\$40,000	\$15,000	\$361,921
1648	Custer County Art & Heritage Center	8	\$32,000	\$13,000	\$374,921
1679	Stillwater Historical Society	9	\$17,500	\$12,000	\$386,921
1640	Beaverhead County Museum	10	\$22,550	\$16,000	\$402,921
1651	Glacier Symphony and Chorale	11	\$30,000	\$13,000	\$415,921
1673	Pondera History Association (PHA)	12	\$24,000	\$12,000	\$427,921
1677	Schoolhouse History & Art Center	13	\$58,474	\$15,000	\$442,921
1655	Holter Museum of Art	14	\$70,000	\$12,500	\$455,421
1686	Western Heritage Center	15	\$30,000	\$12,000	\$467,421
1652	Great Falls Symphony	16	\$24,000	\$12,000	\$479,421
1644	Butte Citizens for Preservation and Revitalization	17	\$16,940	\$12,000	\$491,421
1642	Billings Symphony Society	18	\$25,000	\$12,000	\$503,421
1641	Big Horn Arts and Craft Association	19	\$20,000	\$12,000	\$515,421
1636	Alberta Bair Theater	20	\$60,000	\$10,000	\$525,421
1639	Art Mobile of Montana	21	\$30,000	\$12,000	\$537,421
1680	Sunburst Foundation	22	\$12,800	\$8,000	\$545,421
1661	Montana Artists Refuge	23	\$10,000	\$5,000	\$550,421
1643	Butte Center for the Performing Arts	24	\$30,000	\$8,000	\$558,421
1671	Paris Gibson Square Museum of Art	25	\$60,000	\$10,000	\$568,421
1656	Intermountain Opera Association	26	\$20,000	\$8,000	\$576,421
1658	MCT, Inc.	27	\$30,000	\$7,500	\$583,921
1674	Rimrock Opera	28	\$25,532	\$7,500	\$591,421
1683	The Montana Repertory Theatre	29	\$50,028	\$5,000	\$596,421
1645	Butte Symphony Association	30	\$23,020	\$7,500	\$603,921
1676	Rocky Mountain Ballet Theatre	31	\$23,090	\$8,000	\$611,921
1669	North Valley Music School	32	\$19,379	\$8,000	\$619,921
1650	Gallatin Historical Society	33	\$14,000	\$6,000	\$625,921

Cultural and Aesthetic Grant Program

1678	Southwest Montana Arts Council	34	\$23,105	\$8,000	\$633,921
1687	World Museum of Mining	35	\$46,458	\$5,000	\$638,921
1688	Yellowstone Art Museum	36	\$100,000	\$8,000	\$646,921
1653	Helena Presents/Myrna Loy Center	37	\$24,000	\$8,000	\$654,921
1637	Alpine Artisans	38	\$23,150	\$4,000	\$658,921
1670	Northwest Montana Historical Society	39	\$20,000	\$5,000	\$663,921
1660	Missoula Cultural Council	40	\$3,680	\$3,680	\$667,601
1682	The Equinox Theatre	41	\$50,000	\$2,000	\$669,601
1667	Museum of the Plains Indian Artist dba Friends of	42	\$7,960	\$2,000	\$671,601
1672	Pondera Arts Council	43	\$21,900	\$2,000	\$673,601
1646	Carbon County Arts Guild & Depot Gallery	44	\$62,900	\$0	\$673,601
1675	River and Plains Society, Inc	45	\$24,000	\$0	\$673,601
1681	The Children's Museum of Northeast Montana	46	\$32,084	\$0	\$673,601
1659	Miles City Preservation Office	47	\$6,000	\$0	\$673,601
1684	Vigilante Theatre Company	48	\$28,500	\$0	\$673,601
Capital Expenditure					
1691	Fort Peck Fine Arts Council, Inc.	1	\$18,380	\$16,375	\$689,976
1692	Laurel Revitalization League Inc.	2	\$8,000	\$5,000	\$694,976
1690	Ewam	3	\$30,000	\$0	\$694,976
			\$2,328,862	\$694,976	

State Buildings Energy Conservation Program

Purpose - The State Buildings Energy Conservation Program, operated by the Department of Environmental Quality (DEQ), was established by the 1989 Legislature to reduce operating costs in state facilities by identifying and funding cost effective energy efficiency improvements. Statutory authority is Title 90, Chapter 4, part 6, MCA.

Background

- The program was started with one-time-only federal grant funding, then from 1993-2007 the state sold general obligation (G.O.) bonds and used the bond proceeds to pay for energy efficiency improvements. These bonds are being repaid using the energy cost savings from the projects. In the 2009 biennium general fund was used for energy improvements.
- Projects are designed so the cost savings meet or exceed the investment and can then be used to pay bond debt service or be recaptured for reinvestment in new projects.
- Energy efficiency improvements include replacing old inefficient boilers, upgrading inefficient lighting, increasing ventilation system efficiency, insulating buildings, and providing more effective temperature controls.
- After energy improvements are in place, the DEQ provides technical assistance to facility staff to ensure that energy savings are maintained.
- The federal grant funding appropriated in the previous biennium is currently being expended in energy improvement projects. The repaid energy savings will be captured in a revolving account to be used in future energy projects.
- The 2011 biennium ARRA funds that were appropriated have been used to complete 9 energy projects, 43 projects in construction, 17 projects in design, and 18 more projects in the planning phase.

Executive Recommendation-

No new appropriations are recommended for the 2013 Biennium for the State Building Energy Conservation Program.

Long Range Information Technology

The Executive Budget does not include any recommendations for new appropriations for new long range information technology projects for the 2013 Biennium.

Table F-7 shows reductions to LRIT projects from the 2009 and 2011 Biennium. A brief description of the projects being reduced follows the table.

Table F-6 HB 4 (60TH SESSION) & HB 10 (61ST SESSION) IT PROJECTS				
Depart	Project	GF	SSR	FSR
DOR	Improve Efficiency through Imaging Technology - HB 10	\$ (123,273.00)		
DOJ	Judiciary Supreme Court Projects - HB 4	\$ (340,000.00)		
DPHHS	MACWIS (Child and Adult Protective Services- CAPS) - HB 4	\$ (10,273,760.00)		\$ (8,072,000.00)

Department of Revenue -- Improve Efficiency through Imaging Technology

The general fund appropriation for this completed Department of Revenue project is reduced by \$123,273. This reduction will allow reverted project funds to be included in the Executive Budget.

Department of Justice -- Supreme Court Projects

The Judiciary proposed reducing its general fund appropriation by \$340,000 as part of its five percent reduction proposal. This reduction is included in the Executive Budget recommendations.

Department of Public Health and Human Services -- MACWIS (Child and Adult Protective Services- CAPS)

CAPS was renamed to MACWIS since the inception of the project. The general fund appropriation for this DPHHS system is proposed to be reduced by \$10,274,000. The matching federal reduction will be \$8,072,000. This postponement of MACWIS (CAPS) allows the department more time to build the internal staff capacity necessary to support a system the size and complexity of MACWIS.

Quality Schools Grant Program

Purpose - The Quality Schools Grant Program (Quality Schools) is a competitive grant program created to provide infrastructure grants, matching planning grants, and emergency grants to public school districts in Montana. The statute creating the Program was passed by the 61st Legislature and signed into law by Governor Schweitzer on April 28, 2009 (Sections 90-6-801, et seq., MCA). Under state law, the principal objectives of Quality Schools, in order of priority, are to:

- Solve urgent and serious public health or safety problems, or enable public school districts to meet state or federal health or safety standards;
- Provide improvements necessary to bring school facilities up to current local, state, and federal codes and standards;
- Enhance public school districts' ability to offer specific services related to the requirements of the accreditation standards provided for in Section 20-7-111, MCA;
- Provide long-term cost-effective benefits through energy-efficient design;
- Incorporate long-term, cost-effective benefits to school facilities, including the technology needs of school facilities; and
- Enhance educational opportunities for students.

Executive Recommendation

Volume 4 of the Governor's 2011 biennium Executive Budget contains the department's evaluation of each of the Quality Schools applications and the detailed funding recommendations.

- There are 30 projects with a total cost of \$11,069,025 recommended.
- **HB 15** contains the list of projects recommended for Quality Schools project grant funds. For the 2013 biennium there were 66 complete applications requesting over \$30 million in project grant funds. Table F-7 lists each project and the recommended grant, if there are sufficient monies to fund each project.
- **HB 15** also contains requests for \$900,000 to be used by the department to award matching planning grants and \$100,000 to be used by the department to award grants for emergency projects.

Since the Last Session

Since the 2009 Legislature met, the department has established the new Quality Schools Grant Program, adopted administrative rules governing the program, awarded and administered 45 matching planning grants, and awarded and administered five emergency grants.

In the spring of 2010, Quality Schools received 136 applications requesting over \$76 million in project grant funding. On May 31, 2010, the department announced the award of \$10,607,964 to 33 school districts, which included \$415,702.91 in unexpended funds remaining from the Quick Start Grant Program.

Quality Schools Grant Program

Table F-7
QUALITY SCHOOL GRANT PROGRAM

Rank	Applicant	County	Project Description	QS Funds Requested	QS Funds Eligible	Cumulative Proposed Award
1	Big Sandy	Chouteau	Lighting Retrofit and Occupancy Sensors	\$124,340	\$124,340	\$124,340
2	Sweet Grass Co HS	Sweet Grass	Update/Remodel of Ventilation/ Air Handling System	\$207,500	\$207,500	\$331,840
3	Somers	Flathead	Replace roof at Somers Middle School	\$418,142	\$418,142	\$749,982
4	Box Elder	Hill	Four-classroom addition to the elementary school	\$799,590	\$799,590	\$1,549,572
5	Winnett	Petroleum	Complete new shop building; purchase equipment	\$565,450	\$314,107	\$1,863,679
6	White Sulphur Springs	Meagher	Replace boiler with geothermal heating system	\$350,000	\$350,000	\$2,213,679
7	Helena Elementary	Lewis & Clark	ADA Compliance for 5 Schools	\$1,429,796	\$1,429,796	\$3,643,475
8	Gardiner	Park	Energy efficiency upgrades	\$77,500	\$43,694	\$3,687,169
9	Centerville	Cascade	Boiler Replacement	\$148,534	\$148,534	\$3,835,703
10	Shelby Elementary	Toole	Correct building envelope leakage	\$146,904	\$146,904	\$3,982,607
11	Fair-Mont-Egan	Flathead	Classroom Addition	\$379,110	\$379,110	\$4,361,717
12	Livingston	Park	Replace failing roof	\$709,336	\$709,336	\$5,071,053
13	Corvallis	Ravalli	Construction of a new vocational facility	\$1,086,516	\$901,318	\$5,972,371
14	North Star	Hill	Install fire alarm systems	\$123,386	\$123,386	\$6,095,757
15	Choteau	Teton	Remedy safety issues identified with the district's food service facilities	\$344,400	\$344,400	\$6,440,157
16	Miles City	Custer	Temperature controls upgrade	\$442,841	\$442,841	\$6,882,998
17	Shelby HS	Toole	Lighting retrofit	\$102,985	\$102,895	\$6,985,893
18	Rocky Boy	Hill	Emergency Generator Replacement	\$72,650	\$72,650	\$7,058,543
19	Whitefish	Flathead	Phase I redevelopment of HS campus (gym)	\$738,239	\$658,019	\$7,716,562
20	Colstrip	Rosebud	Temperature controls upgrade	\$329,153	\$329,153	\$8,045,715
21	Whitehall	Jefferson	Roof replacement on High School	\$534,232	\$534,232	\$8,579,947
22	Stanford	Judith Basin	Boiler Replacement	\$220,500	\$220,500	\$8,800,447
23	Grass Range	Fergus	Air-lock doors & breezeway	\$38,315	\$38,315	\$8,838,762
24	Superior	Mineral	Life Skills classroom and locker room expansion	\$521,162	\$521,162	\$9,359,924
25	Geraldine	Chouteau	Energy efficiency improvements	\$164,000	\$106,900	\$9,466,824
26	Bozeman HS	Gallatin	Lighting retrofit	\$109,087	\$109,087	\$9,575,911
27	Frazer	Valley	Installation of high efficiency boiler	\$243,086	\$243,086	\$9,818,997
28	Libby	Lincoln	Replace HS boiler	\$391,470	\$391,470	\$10,210,467
29	Hamilton	Ravalli	Boiler & heat distribution system replacement	\$751,000	\$751,000	\$10,961,467
30	Bozeman Elementary	Gallatin	Lighting retrofit	\$107,798	\$107,798	\$11,069,265
Totals				\$11,677,022	\$11,069,265	\$11,069,265





GOVERNOR
BRIAN SCHWEITZER

STATE OF MONTANA

SECTION IT: INFORMATION
TECHNOLOGY SUMMARY



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING



Information Technology Recommendations

Introduction - Information technology budget requests are extracted from the executive budget and presented separately in this section to comply with 17-7-123(1), MCA. Each major information technology related decision package in excess of \$200,000 for the biennium is presented in the following.

Information technology funding requests are presented in two bills in the executive budget. House Bill 2 typically includes fund requests for operations and maintenance and may represent an ongoing cost of state government.

In contrast, new investments in information technology assets are generally appropriated as long-range capital projects in House Bill 10. These projects are investments in state service infrastructure and appropriate to be funded in a long-range program.

The contents of each bill are summarized below.

State Information Technology Service Division Rates - HB 2 Section R

State Information Technology Services Division (SITSD) of the Department of Administration is a proprietary program that manages central computing and telecommunications services for state government. SITSD provides central mainframe and mid-tier computer services, and manages the statewide data network called SummitNet, used by all agencies located throughout the state. SITSD provides local and long distance telephone, video and network services used by all agencies, including the university system. SITSD coordinates electronic government services for the state, and manages the states Internet presence mt.gov. ITSD also manages the security, continuity, and IT project management enterprise offices.

Funding for SITSD comes primarily from charges to state agencies for server and application hosting and data/voice network services. A significant portion of SITSD's budget is Enterprise Services. Funding for Enterprise Services comes from agency charges based on a per-user allocation.

SITSD's rates are based on the Financial Transparency Model (FTM), an activity based budgeting model. Over the past year, ITSD has defined over 200 services, allocated costs and staff time to each service, and estimated units of service provided to each agency. Rates are based on a detailed allocation of expenditures and staff time to each service. SITSD also implemented a staff time tracking system to refine the accuracy of staff time allocation. For a wide variety of services agencies will have the choice of using the service or altering the units consumed. SITSD management will have to closely monitor rates and the underlying costs to ensure a service remains competitive. Each agency's budget includes their anticipated consumption of SITSD services valued at the proposed detailed rates.

Based on increase of services and agency predicted growth, SITSD's FY 2010 base expenditures of \$40,185,464 are requested to increase to \$41,534,335 in FY 2012 and \$41,799,421 in FY 2013.

House Bill 2 Information Technology Decision Packages

Table IT-1 shows the decision packages included in House Bill 2.

Table IT-1 House Bill 2 Information Technology Projects						
Agency	Decision Package	General Fund	State Special Revenue	Federal Special Revenue	Other Funds	Total Funds
Justice	1201 – IT MERLIN				4,500,000	4,500,000
Justice	DP 1202 – IT Electronic Commerce				350,000	350,000
Justice	DP 1203 – IT VIVS Online Motor Vehicle Liability Insurance		972,340			972,340
Justice	DP 1205 – MVD Debt Payments Due to BOI		3,700,000			3,700,000
Justice	DP 1303 – IT Smart Cop		884,000			884,000
Justice	DP 1804 – IT Criminal Justice Info Network (CJIN) BIEN/OTO		1,150,000			1,150,000
CHE	DP 907 – Information Technology Increases	1,159,396				1,159,396
DEQ	DP 4004 – Upgrade ACCESS Database (OTO/Bien/REST)		594,712	486,584		1,081,296
MDT	DP 111 – Restore Computer Services Contract Funding		410,403			410,403
MDT	DP 2201 – United Carrier Registration (UCR) - ECVISN		1,644,239	1,080,145		2,724,384
DOR	DP 205 – Ongoing Maintenance of Imaging and Scanning	300,000				300,000
OPD	DP 10 – Computers/Servers/Printers	350,281				350,281
Ag	DP 3006 – Web AG Product Registration System (Bien)		280,000			280,000
Corrections	DP 302 – Security Control System OTO/Bien	325,000				325,000
Corrections	DP 502 – RYCF OTO Security Cameras Bien	204,327				204,327
DLI	DP 504 – BSD Consulting Increase		199,871			199,871
DLI	DP 505 – BSD Database Maintenance		200,000			200,000
HHS	DP 1103 – MTAP New Technologies		1,550,000			1,550,000
HHS	DP 90004 – Systems M&E Contract Increases	197,622	335,352	1,868,476		2,401,450
HHS	DP 90007 – TANF/SNAP System M&E	310,716		331,572		642,288
HHS	DP 11022 – CPI – MMIS Components	268,374		793,405		1,061,779
HHS	DP12001 – MMIS Contract Increase	234,825		692,756		927,581

Department of Justice

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY2012	\$2,250,000	\$0
FY2013	\$2,250,000	\$0

DP 1201 -- IT MERLIN

The Motor Vehicle Division (MVD) is requesting \$4.5 million over the 2013 biennium in state special revenue authority to fund the completion of the Montana Enhanced Registration and Licensing Information System (MERLIN). The Archon Driver Solution (ADS) phase which automates the drivers' stations across the state is estimated to be complete in FY 2013. Upon completion, it is estimated that ongoing maintenance costs will be \$1,750,000 per biennium.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY2012	\$350,000	\$0
FY2013	\$0	\$0

DP 1202 -- IT Electronic Commerce

The Motor Vehicle Division (MVD) is requesting a 2013 biennial appropriation of \$350,000 for costs associated with the development, operation and enhancement of electronic commerce applications related to motor vehicle titling, registration and records and driver licensing and records. The legislature previously approved state special fund expenditures, however, implementation was delayed in FY 2010. Therefore, the operating costs for those services, in addition to the development of new electronic commerce applications, are not reflected in the base budget.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY2012	\$486,170	\$0
FY2013	\$486,170	\$0

DP 1203 -- IT VIVS Online Motor Vehicle Liability Insurance

The Motor Vehicle Division (MVD) requests a base increase of \$972,340 in the 2013 biennium of state special revenue spending authority to annualize expenditures associated with the implementation of the online Motor Vehicle Liability Insurance Verification System (VIVS). 61-6-157(3)(i), MCA, requires that VIVS be installed and operational no later than July 1, 2011. Until system and business requirements are established and a vendor is selected, the actual cost for the maintenance of VIVS is unknown. Using the assumptions from the fiscal note for SB 508 during the 2009 session, the estimated annual state special revenue costs will be \$539,734 (1,079,467 vehicles * \$0.50/vehicle/year = \$539,734). The projected annual maintenance cost increase would be reduced by applying FY 2010 operating expenditures of \$53,564 resulting in a total annual increase of \$486,170.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY2012	\$1,850,000	\$0
FY2013	\$1,850,000	\$0

DP 1205 -- MVD Debt Payments Due to BOI

This decision package requests \$3.7 million, state special revenue as a biennial appropriation for the 2013 biennium to fund debt payments associated with the new motor vehicle systems MVS1, MVS2, and enhancements for the MERLIN systems.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
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FY2012	\$567,000	\$0
FY2013	\$317,000	\$0

DP 1303 -- IT Smart Cop

The Montana Highway Patrol Division (MHP) requests state special revenue authority of \$567,000 in FY 2012 and \$317,000 in FY 2013 for a total request of \$884,000 over the 2013 biennium for information technology enhancements and equipment replacement for the Smart COP Computer Aided Dispatch/Records Management System. Smart COP provides an integrated information system for the MHP dispatch and patrol. Upon completion, it is estimated that ongoing maintenance costs will be \$34,000 per biennium.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY2012	\$575,000	\$0
FY2013	\$575,000	\$0

DP 1804 -- IT Criminal Justice Info Network (CJIN) BIEN/OTO

The budget includes a request for a \$1,150,000, biennial, one-time only, state special revenue appropriation for the 2013 biennium to cover the costs of the Criminal Justice Information Network (CJIN) upgrade. The CJIN upgrade is completed every four years to keep technology up to date. The upgrade was not completed in FY 2010, therefore the appropriation is not included in the base year budget for the CJIN Section.

Commissioner of Higher Education

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY2012	\$455,153	\$455,153
FY2013	\$704,243	\$704,243

DP 907 -- Information Technology Increases

This proposal increases funding \$455,153 in FY 2012 and \$704,243 in FY 2013 for information technology (IT) costs including contractual software licenses and maintenance agreements, hardware maintenance agreements, and internet service costs. The funding source for this request is general fund.

Department of Environmental Quality

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY2012	\$540,648	\$0
FY2013	\$540,648	\$0

DP 4004 -- Upgrade ACCESS Database (OTO/Bien/REST)

This request is for \$540,648 per year in state special and federal special revenue for the Remediation Division to upgrade its tanks database through an ACCESS upgrade or conversion from ACCESS to SQL. This upgrade will allow more effective management of the approximately 3,750 permitted underground storage tank sites and 1,500 petroleum release sites. Upon completion it is estimated that ongoing operating costs will be \$150,000 per year.

Department of Transportation

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY2012	\$194,442	\$0
FY2013	\$215,261	\$0

DP 111 -- Restore Computer Services Contract Funding

This request is for \$194,442 in FY 2012 and \$215,961 in FY 2013 of state special revenue to restore base funding levels and scheduled maintenance and system enhancements for permitting, registration, and licensing systems. These

systems include permitting for commercial motor vehicles and other entities, International Fuel Tax Agreement (IFTA) licenses, and International Registration Plan (IRP) vehicle registrations. This system provides the public a consistent and accurate manner of obtaining these required permits, licenses, and vehicle registrations as required by state and federal laws.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
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FY2012	\$1,884,096	\$0
FY2013	\$840,288	\$0

DP 2201 -- United Carrier Registration (UCR) - ECVISN

This request is for \$1,884,096 in FY 2012 and \$840,288 in FY 2013 of state Unified Carrier Registration (UCR) funds and federal Expanded Commercial Vehicle Information Systems and Network (ECVISN) grants to deploy and maintain commercial motor vehicle related systems. Two projects are planned in FY 2012 and one in FY 2013. An automated payment capability project for the IFTA (International Fuel Tax Agreement) and IRP (International Registration Plan) will provide automated payment capability for a one stop shopping cart interface. This will allow customers an easy system to do multiple transactions related to IFTA and IRP. The other FY 2012 project is a weigh station automated vehicle screening project at two existing weigh stations which will identify problem carriers, vehicles, and drivers to keep the traveling public safe. The FY 2013 project is virtual weigh station automated screening system deployment at existing weigh in motion sites. This will target overweight and unsafe vehicles protecting the infrastructure and keeping traveling public safe. Ongoing maintenance costs upon completion are projected to be \$210,581 per year.

Department of Revenue

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
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FY2012	\$150,000	\$150,000
FY2013	\$150,000	\$150,000

DP 205 -- Ongoing Maintenance of Imaging and Scanning

The Department of Revenue, Information Technology and Processing Division requests \$300,000 general fund in the 2013 biennium for ongoing vendor maintenance and support for the hardware and software used for imaging and scanning of several hundred thousand tax returns, payments, and other documents annually.

Office of the Public Defender

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
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FY2012	\$153,473	\$153,473
FY2013	\$196,808	\$196,808

DP 10 -- Computers/Servers/Printers

This request is to fund the replacement of aging printers, servers, and computers. Funding in the amount of \$153,473 in FY 2012 and \$196,808 in FY 2013 is being requested. The agency did not have the funding to follow a 4 or 5 year replacement cycle and instead has been replacing equipment as it fails or is severely outdated.

Department Of Agriculture

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
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FY2012	\$280,000	\$0
FY2013	\$0	\$0

DP 3006 -- Web AG Product Registration System (Bien)

The executive recommends \$280,000 biennial one-time-only state special revenue funding to continue upgrading an existing licensing and registration system to allow web based product and apiary registrations.

Department of Corrections

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY2012	\$325,000	\$325,000
FY2013	\$0	\$0

DP 302 -- Security Control System OTO/Bien

The executive requests OTO/biennial funding of \$325,000 general fund in FY 2012 to procure a security system to replace the one that is currently failing at Montana Women's Prison.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY2012	\$325,000	\$325,000
FY2013	\$0	\$0

DP 502 -- RYCF OTO Security Cameras Bien

Riverside Youth Correctional Facility has two surveillance cameras located in the front entrance and south sally port. Riverside needs to comply with recommendations from PREA and Riversides own safety/security best practices by installing security cameras throughout the facility. This system includes indoor/outdoor surveillance with recording/save capabilities.

Department of Labor and Industry

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY2012	\$97,824	\$0
FY2013	\$102,047	\$0

DP 504 -- BSD Consulting Increase

The Business Standards Division is requesting \$97,824 in FY 2012 and \$102,047 in FY 2013 in state special revenue to cover the increase in consultant and professional services for the licensing boards. Total obligation for FY 2012 is \$621,140 and FY 2013 is \$625,363, of which \$523,316 is built into the base budget leaving an outstanding balance of \$97,824 in FY 2012 and \$102,047 in FY 2013.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY2012	\$100,000	\$0
FY2013	\$100,000	\$0

DP 505 -- BSD Database Maintenance

This decision package requests \$100,000 for each year of the biennium state special revenue to cover the maintenance contract for the new Accela database system purchased in FY 2010. Total obligation for this contract is \$500,000 of which \$400,000 was built into base in FY 2010, leaving an outstanding obligation of \$100,000 for each year of the biennium.

Department of Public Health and Human Services

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY2012	\$775,000	\$0
FY2013	\$775,000	\$0

DP 1103 -- MTAP New Technologies

Management and Disability Transitions requests \$1.55 million state special revenue authority for the 2013 biennium for the Montana Telecommunications Access Program (MTAP), in the event the federal government mandates that the states pay for new technologies. MTAP predicts the federal mandate will come with advance notice of at least 18 months.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY2012	\$1,198,975	\$97,936
FY2013	\$1,202,475	\$99,686

DP 90004 -- Systems M&E Contract Increases

This request is for \$197,622 general fund, \$335,352 state special revenue funds, and \$1,868,476 federal funds authority to the Technology Services Division for anticipated contractual cost increases for the large data systems currently supported under the Information Technology Facilities Management, Child and Adult Protective Services, and the system for the Enforcement and Recovery of Child Support contracts. Changes to federal and state program reporting requirements, rules, regulations, and identified system efficiencies and repairs are traditionally managed through a maintenance and enhancement contract. The division currently holds three contracts for legacy systems maintenance and enhancements (M&E). All of these contracts will have reached their expiration dates by the end of FY 2011.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY2012	\$0	\$0
FY2013	\$642,288	\$310,716

DP 90007 -- TANF/SNAP System M&E

This request is for \$310,716 general fund and \$331,572 federal funds authority to the Technology Services Division for FY 2013 for anticipated contractual costs for the maintenance and enhancement of the TANF and SNAP eligibility determination and benefits payment systems. Changes to federal and state program reporting requirements, rules, regulations, and identified system efficiencies and repairs are traditionally managed through a maintenance and enhancement contract.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY2012	\$421,537	\$106,547
FY2013	\$640,242	\$161,827

DP 11022 -- CPI -- MMIS Components

This request is for \$1,061,779 total funds for the biennium. The biennial funding is \$268,374 in general fund and \$793,405 in federal funds. This request reflects the pricing adjustment for 3 components (Smart PA, Impact Pro, and Enrollment Broker) of the Medicaid Management Information System within the Health Resources Division.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY2012	\$368,259	\$93,228
FY2013	\$559,322	\$141,597

DP12001 -- MMIS Contract Increase

This decision package requests \$927,581 over the biennium for Medicaid Management Information System (MMIS) components (different from those requested in HRD, DP 11022). The current MMIS Fiscal Agent contract contains a pricing adjustment per an increase in CPI. The annual pricing adjustment shall not exceed 75% of the rate of increase in the cost of living as reflected in the Federal Bureau of Labor Statistics, Consumer Price Index (CPI). The increase is implemented annually in July and over the prior 6 years has increased on average 2.5% annually. The funding for the biennium is \$234,825 in general fund and \$692,756 in federal funds.

House Bill 10 Long-Range Information Technology Investments

The executive budget does not include new appropriations for new long range information technology projects for the 2013 biennium.



GOVERNOR
BRIAN SCHWEITZER

STATE OF MONTANA

SECTION R: REFERENCE

OBPP Staff Listing

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GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING



Office of Budget and Program Planning Staff Listing

As of November 15, 2010

David Ewer, Budget Director

Amy Sassano, Deputy Budget Director

Ryan Evans, Finance Manager

Shawn Graham, Information Systems
Manager

Evelyn Davis, Budget Compliance
Spec.

Jeanne Nevins, Executive Assistant

Revenue Analysts

Ralph Franklin

Eric Dale

<u>Code</u>	<u>Agency</u>	<u>Budget Analyst</u>
Section A – General Government		
1104	Legislative Branch	Mark Bruno
1112	Consumer Counsel	Mark Bruno
3101	Governor's Office	Amy Sassano
3201	Secretary of State	Mark Bruno
3202	Comm. of Political Practices	Christine Hultin-Brus
3401	State Auditor	Christine Hultin-Brus
5801	Dept. of Revenue	Mark Bruno
6101	Dept. of Administration	Mark Bruno
6103	State Fund	Mark Bruno
6104	PERS (non-budgeted)	Mark Bruno
6105	TRS (non-budgeted)	Mark Bruno
6501	Dept of Commerce	Christine Hultin-Brus
6602	Dept of Labor & Industry	Mark Bruno
6701	Dept of Military Affairs	Christine Hultin-Brus

Section B – Public Health and Human Services

6901	Dept. of PHHS	Pat Sullivan and Bob Andersen
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Section C – Natural Resources and Transportation

5201	Dept. of Fish, Wildlife & Parks	James Chamberlain
5301	Dept. of Environmental Quality	James Chamberlain
5401	Dept of Transportation	James Chamberlain
5603	Dept. of Livestock	Shawn Graham
5706	Dept. of Natural Resources and Cons.	James Chamberlain
6201	Dept. of Agriculture	Shawn Graham

Office of Budget and Program Planning Staff Listing

Section D – Judicial Branch, Law Enforcement, & Justice

2110	Judicial Branch	Brent Doig
4107	Crime Control Division	Brent Doig
4110	Dept. of Justice	Brent Doig
4201	Public Service Regulation	Brent Doig
6108	Office of Public Defender	Brent Doig
6401	Dept. of Corrections	Brent Doig

Section E - Education

3501	OPI	Nancy Hall
3511-5	Colleges of Technology	Nate Thomas
5101	Board of Public Education	Nancy Hall
5102	Commissioner of Higher Education	
5103-8	MUS Six Units	Nate Thomas
	Community Colleges and Research	Nate Thomas
5109	MAES	Nate Thomas
5110	MCES	Nate Thomas
5111	Forestry Experiment Station	Nate Thomas
5112	Bureau of Mines	Nate Thomas
5113	School for the Deaf & Blind	Nancy Hall
5114	Montana Arts Council	Nancy Hall
5115	State Library	Nancy Hall
5117	Montana Historical Society	Nancy Hall
5119	Fire Services Training School	Nate Thomas

Section F – Long Range Planning – Christine Hultin-Brus

Budget Background Information

Details on How the 2013 Biennium Budget was Developed

Personal Services – The personal services portion of the executive budget is based upon a “snapshot” of actual salaries for authorized FTE, as they existed on the Statewide Accounting, Budgeting and Human Resources System (SABHRS) on June 30, 2010, which was the end of the fiscal year. OBPP prepared the FY 2012 and FY 2013 personal services budgets to reflect HB 2 and HB 13 adopted by the 2009 Legislature, workers comp, unemployment insurance, FICA, retirement contribution rates, number of hours each fiscal year, longevity adjustments, and health insurance rates. These personal services schedules are included in the present law base for current level positions that are authorized for FY 2011 and thus authorized to continue into the 2013 biennium.

Inflation/Deflation - The adjusted base for FY 2012 and FY 2013 includes fully funded personal services costs in the 61000 expenditure accounts. It does not include overtime, shift differential pay and holidays worked. In addition, the following accounts have been inflated/deflated from the FY 2010 base amounts due to the new recommended amounts/rates:

<u>Account</u>	<u>Name</u>	<u>FY 2012</u>	<u>FY 2013</u>
62205	Food	3.3%	5.54%
62251-98	Meat and Misc Food Items	3.3%	5.54%
62216	Gasoline	14.03%	18.46%
62216A	Aviation Gasoline	14.03%	18.46%
62242	Diesel Fuel	13.94%	17.99%
62242A	Jet Fuel	13.94%	17.99%
62304	Postage	4.50%	4.50%
62404	In State Motor Pool	(21.22%)	(20.92%)
62414	Out of State Motor Pool	(21.22%)	(20.92%)
62434	In State Motor Pool Trng	(21.22%)	(20.92%)
62445	Out of State Mtr Pool Trng	(21.22%)	(20.92%)
62510	Motor Pool Leased Veh.	(21.22%)	(20.92%)
62601	Electricity	0.51%	2.81%
62603	Natural Gas	(35.45)%	(35.45)%
62604	Laboratory Gas	9.99%	14.76%
62607	Propane	9.99%	14.76%

No other inflation or deflation is included in the adjusted base budgets for FY 2012 and FY 2013. Agency requests for other changes to the adjusted base budget were submitted in decision packages (DPs), which will be listed individually in Sections A – E of the budget.

Fixed Costs - Although most agencies will be billed in the 2013 biennium consistent with the amounts budgeted for fixed costs, there may be a few exceptions, various Information Technology charges which are based upon actual usage, warrant writing fees for warrants actually issued, and that portion of lease vehicles based on number of miles driven. The total of fixed costs for the 2013 biennium is shown for each fiscal year just above. A brief summary of each fixed cost follows and the manner in which each of these objects was adjusted in the budget is summarized.

Fixed Costs for the 2013 Biennium		
<u>Fixed Cost Account</u>	<u>FY 2012 Amount</u>	<u>FY 2013 Amount</u>
Insurance (62104)	\$12,297,458	\$12,297,456
Warrant Writer (62113)	\$977,004	\$957,753
Payroll Service (62114)	\$2,910,342	\$2,935,457
Legislative Audit Fees (62122)	\$3,695,120	
SABHRS (62148)	\$3,554,526	\$3,795,313
ITSD Fees (Various)	\$38,930,218	\$39,155,959
Messenger Services (62307)	\$297,659	\$297,659
Capitol Complex Rent (62527)	\$9,642,535	\$9,691,091
Grounds Maintenance (62770)	\$476,438	\$476,438
SWCAP (62888)	\$4,159,821	\$4,367,810

Budget Background Information

Details on How the 2013 Biennium Budget was Developed

Insurance - The state self-insures for property losses under \$250,000 and claims for general liability, errors and omissions, inland marine, auto liability, and foster care liability.

FY 2010 Budget: \$12,297,443 FY 2012 Budgeted: \$12,297,458 FY 2013 Budgeted: \$12,297,456

Warrant Writer - Check writing and auto-deposit capabilities for two million annual transactions are provided to state agencies. The service is charged out on actual experience and projected based on historical demand.

FY 2010 budget: \$1,087,866 FY 2012 projected: \$977,004 FY 2013 projected: \$957,753

Payroll Service - Payroll processing for more than 13,500 state employees has projected operating expenses of \$2,910,342 in FY 2012 and \$2,935,457 in FY 2013.

Audit - Total statewide financial compliance audit costs for the 2011 biennium are \$3,560,300. Biennium financial compliance audit costs for the 2013 biennium were \$3,695,120 including the community colleges.

SABHRS - Costs to finance the Statewide Accounting, Budgeting, and Human Resource System (SABHRS) have been distributed to state agency budgets. The SABHRS operations bureau will maintain the uniform central management system with total budgeted operating expenses of \$7,349,839 in the 2013 biennium. State agencies will pay this in distributed fixed costs, allocated by FTE and transaction usage, using all funds proportionately.

Information Technology Services Division (ITSD) Fees - ITSD's rates are based on the FullCost Maturity Model (FMM), an activity based budgeting model. Over the past year ITSD has reorganized its rates structure and defined over 260 services, allocated costs and staff time to each service, and estimated units of service provided to each agency. For a wide variety of services, agencies will have the choice of using the service or altering the units consumed. Based on increase of services and agency predicted growth, ITSD's FY2010 base expenditures of \$40,209,096 is requested to decrease to \$38,930,218 in FY2012 and \$39,155,959 in FY2013.

Messenger Service - Mail sorting, outgoing pickup and incoming mail delivery to all state agencies within the Helena area is a budgeted cost, then distributed as a fixed cost to customer agencies, based upon historical volume, the number of FY 2008 holdouts (similar to a post office box), and the number of FY 2010 deliveries. The distributed fixed costs are \$297,659 each year of the 2013 biennium.

Department of Administration Rent - Agencies within the Capitol Complex will pay \$8.412 and \$8.460 per square foot for office space in FY 2012 and FY 2013, respectively. Warehouse space is budgeted at \$4.844 per square foot (psf) in FY 2012 and \$4.876 psf in FY 2013.

Grounds Maintenance - Capitol grounds maintenance, snow removal, and water charges are paid by Capitol Complex agencies at a rate of \$0.494 psf of rented office space in FY 2012 and \$0.494 in FY 2013.

SWCAP (Statewide Cost Allocation Plan) - The costs of certain general government services financed from the general fund are recovered from non-general fund programs. The OBPP, the Accounting Principles and Financial Reporting Sections, the Treasury, the Classification unit, Labor Relations unit, and the Administration & Policy unit of the State Personnel Division are allocated. The SWCAP is based upon an allocation to each state agency for the cost center budget based on indirect measures of workload generated by that agency. The total amount allocated to agencies is \$8,527,631 in the 2013 biennium.

Vacancy Savings - Vacancy savings of 4 percent was applied to all agencies, except those with fewer than 20.00 FTE, elected officials, university system faculty, the legislative branch, and the judicial branch. In addition, the Montana Highway Patrol and Game Wardens in the Department of Fish, Wildlife & Parks are statutorily exempt from vacancy savings. The vacancy savings from the HB 2 base budgets of the affected agencies generated \$65.6 million in all funds for the biennium.

HB 13 pay plan bill also includes a very important biennial contingency account of \$3 million general fund and \$3 million other funds for agencies that are unable to achieve the 4 percent vacancy savings due to lack of staff turnover and agencies that are unable to absorb the full costs of retirement payouts. A number of agencies are projecting very significant, costly retirements in the 2011 biennium and the Executive recommends this contingency, rather than funding individual agencies for unknown projected costs.

Budget Background Information

Details on How the 2013 Biennium Budget was Developed

Agency Budgets – The detailed budget for each state agency is available on the Internet at http://budget.mt.gov/content/2013_Budget/2013b_HB2_Summary and http://budget.mt.gov/content/2013_Budget/2013B_SA_Summary.

Agency Mission, Goals and Objectives - The mission for each state agency is printed as part of the budget. Goals and objectives also are required in accordance with 17-7-111(3)(c), MCA, and are available on the Internet at http://budget.mt.gov/2013_Budget/2013b_goals_objectives.mcp.

Analysis of Receipts by Fund - The analysis of receipts by fund required by 17-7-124, MCA, is available on request from the OBPP, Room 277 State Capitol.

Proposed Five Percent Budget Reduction Plans – The budget requirements found in 17-7-111(3)(f), MCA, state that agencies with more than 20 FTE must submit a plan to reduce the proposed base budget for the agency from the general appropriations act and the state pay plan by five percent. The plans only apply to the general fund and those state special revenue funds that transfer their interest or fund balance to the general fund. Also exempted are legislative audit costs and administratively attached entities that hire their own staff. All state agencies with the exception of one have submitted their plans and they are available upon request from the OBPP, Room 277 State Capitol.

Supplemental Appropriations, Pay Plan, and Other Budget Bills

Supplemental Appropriations (HB 3)

HB 3 will contain appropriations for 4 agencies.

1. The bill will contain a \$330,000 general fund appropriation for the Office of Public Instruction for State Tuition Payments under 20-5-324(2)(a), MCA, due to increased tuition obligation requests from K-12 school districts.
2. The bill will also contain a \$300,000 general fund appropriation for the Office of Public Instruction for Pupil Transportation Payments under 20-10-145, MCA, due to increased state transportation payment obligations.
3. The Department of Corrections has a \$900,000 general fund appropriation in the bill for operating costs and vacancy savings that the department was unable to mitigate. The agency had projected a much larger shortfall at the beginning of the biennium but was able to mitigate a large portion of it and also had carry-forward funds available from FY 2009.
4. The Department of Administration, Health Care and Benefits Division will receive a supplemental appropriation to repay the Voluntary Employee Benefits Association (VEBA) plan's loan and associated interest to: comply with state law, resolve outstanding legislative audit findings and to help address the ongoing viability of the VEBA plan. The loan balance as of June 30, 2010, including accrued interest through June 30, 2011, is \$470,767. If this supplemental appropriation is not approved, the loan will be repaid from VEBA operating funds, which is estimated to take 25 to 30 years.
5. The bill includes \$850,000 general fund for the Office of the Public Defender. In May of 2009 agency management informed the Governor's budget office of a potential \$1.2 to \$1.5 million funding shortfall for each of FY 2010 and FY 2011 or between \$2.4 and \$3 million for the biennium. Agency management immediately developed and instituted a cost control and reduction plan commonly referred to as the "Agency Mitigation Plan." This plan has reduced costs and by the end of FY 2010 the funding shortfall for this fiscal year went from the original estimate of \$1.2 to \$1.5 million to only \$390,000. The agency's mitigation plan continues to work as the current estimated funding shortfall for the 2011 biennium has been reduced from the original estimate of \$2.4 to \$3 million to about \$850,000.
6. The Montana Lottery will receive a \$950,000 supplemental appropriation from proprietary lottery funds due to the Montana Lottery exceeding projected ticket sales for FY 2011. Due to the increase in ticket sales, the additional authority is needed to allow the Montana Lottery to meet its contractual prize expenses and commissions to private vendors.

Pay Plan (HB 13)

The executive has allocated \$11.4 million general fund - \$21.6 million all funds for the biennium for a 1% pay increase effective January 1, 2012 and a 3% pay increase effective January 1, 2013. With the exception of a one-time \$450 payment to employees making \$45,000 or less, state employees have not received a pay increase since October 1, 2008. The bill will also include \$4 million general fund, \$7 million all funds for the personal services contingency fund and \$75,000 general fund for the labor – management training initiative. No increase in the state contribution toward employee health insurance contributions is recommended for the 2013 biennium.

Supplemental Appropriations, Pay Plan, and Other Budget Bills

Other Budget Bills

<u>Bill No</u>	<u>LC No</u>	<u>Bill Title</u>
HB 2	LC0119	General Appropriations Act
HB 3	LC0120	Supplemental Appropriations Bill
HB 4	LC0121	Appropriations by Budget Amendment
HB 5	LC0122	Long-Range Building Appropriations
HB 6	LC0123	Renewable Resource Grants
HB 7	LC0124	Reclamation & Development Grants
HB 8	LC0125	Renewable Resource Bonds & Loans
HB 9	LC0126	Cultural & Aesthetic Grants
HB 10	LC0127	Long-Range Information Technology Appropriations
HB 11	LC0128	Treasure State Endowment Program
HB 13	LC0130	State Employee Pay Plan
HB 15	LC0132	School Facilities Grant Program
	LC0360	School Funding Bill
		Water Protection Funding
		Big Sky Economic Development Fund
		Fire Suppression Account
		MUS Optional Retirement Program
		Local Government Entitlement Share
		General Obligation Bonds for Blackfeet Water Compact
		Coal Bed Methane Protection Account

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